IN 8/69/V.1

INVESTIGATION OF UNITED STATES ASSISTANCE TO THE NICARAGUAN CONTRAS—(Volume I)

HEARING AND MARKUP

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS

AND ITS

SUBCOMMITTEE ON
WESTERN HEMISPHERE AFFAIRS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

ON

H.J. Res. 540

AND

H. Res. 389

MARCH 5 and 6, 1986

Printed for the use of the Committee on Foreign Affairs

NEWARK PUBLIC LIBRARY
AUG 28 1986
U. S. GOVT. PUBS.
DEPOSITORY 376

U.S. GOVERNMENT PRINTING OFFICE
61-683 O WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

Y4.F76/1:

COMMITTEE ON FOREIGN AFFAIRS

DANTE B. FASCELL, Florida, *Chairman*

LEE H. HAMILTON, Indiana
GUS YATRON, Pennsylvania
STEPHEN J. SOLARZ, New York
DON BONKER, Washington
GERRY E. STUDDS, Massachusetts
DAN MICA, Florida
MICHAEL D. BARNES, Maryland
HOWARD WOLPE, Michigan
GEO. W. CROCKETT, Jr., Michigan
SAM GEJDENSON, Connecticut
MERVYN M. DYMALLY, California
TOM LANTOS, California
PETER H. KOSTMAYER, Pennsylvania
ROBERT G. TORRICELLI, New Jersey
LAWRENCE J. SMITH, Florida
HOWARD L. BERMAN, California
HARRY REID, Nevada
MEL LEVINE, California
EDWARD F. FEIGHAN, Ohio
TED WEISS, New York
GARY L. ACKERMAN, New York
BUDDY MacKAY, Florida
MORRIS K. UDALL, Arizona
ROBERT GARCIA, New York

WILLIAM S. BROOMFIELD, Michigan
BENJAMIN A. GILMAN, New York
ROBERT J. LAGOMARSINO, California
JIM LEACH, Iowa
TOBY ROTH, Wisconsin
OLYMPIA J. SNOWE, Maine
HENRY J. HYDE, Illinois
GERALD B.H. SOLOMON, New York
DOUG BEREUTER, Nebraska
MARK D. SILJANDER, Michigan
ED ZSCHAU, California
ROBERT K. DORNAN, California
CHRISTOPHER H. SMITH, New Jersey
CONNIE MACK, Florida
MICHAEL DeWINE, Ohio
DAN BURTON, Indiana
JOHN McCAIN, Arizona

JOHN J. BRADY, Jr., *Chief of Staff*
NANCY A. AGRIS, *Staff Assistant*

SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS

MICHAEL D. BARNES, Maryland, *Chairman*

GERRY E. STUDDS, Massachusetts
SAM GEJDENSON, Connecticut
PETER H. KOSTMAYER, Pennsylvania
MERVYN M. DYMALLY, California
TED WEISS, New York
BUDDY MacKAY, Florida
HARRY REID, Nevada

ROBERT J. LAGOMARSINO, California
MICHAEL DeWINE, Ohio
DAN BURTON, Indiana
JOHN McCAIN, Arizona
HENRY J. HYDE, Illinois

VICTOR C. JOHNSON, *Subcommittee Staff Director*
TABOR E. DUNMAN, Jr., *Minority Staff Consultant*
ROBERT J. KURZ, *Subcommittee Staff Consultant*
LILLIAN PUBILLONES NOLAN, *Subcommittee Staff Consultant*

READEX FICHE best copy available

CONTENTS

WITNESSES

Page

Wednesday, March 5, 1986 (subcommittee markup):

  Frank C. Conahan, Director, National Security and International Affairs Division, General Accounting Office 12

  Hon. Robert Duemling, Director, Nicaraguan Humanitarian Assistance Office [NHAO], Department of State 35

  Hon. Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, Department of State 36

Thursday, March 6, 1986 (full committee markup) 79

MATERIAL SUBMITTED FOR THE RECORD

United States/Nicaraguan democratic resistance peace initiatives for Nicaragua and Central America 3

Information provided by the Nicaraguan Humanitarian Assistance Office regarding the Institute for Democracy, Education, and Assistance, [IDEA], Inc.. 28

Letter to Senate Foreign Relations Committee Chairman Richard G. Lugar from Assistant Secretary of State Elliott Abrams regarding the composition of the leadership of the Nicaraguan democratic resistance 44

Listing of the board of directors of the Institute for Democracy, Education, and Assistance [IDEA], Inc 54

Excerpt from the President's request to Congress for aid to the Nicaraguan democratic resistance regarding Sandinista involvement in drug trafficking. 56

The text of H. Res. 389, congratulating the Inter-American Foundation on its 15th anniversary and commending it for its outstanding contributions to U.S. development assistance efforts in Latin America and the Caribbean 73

Prepared statement of Hon. Mel Levine, a Representative in Congress from the State of California 101

Report prepared by the Heritage Foundation entitled, "In Central America, A Dismal Record for the Contadora Process," dated March 5, 1986 107

UNITED STATES ASSISTANCE TO THE NICARAGUAN CONTRAS

WEDNESDAY, MARCH 5, 1986

House of Representatives,
Subcommittee on Western Hemisphere Affairs,
Committee on Foreign Affairs,
Washington, DC.

The subcommittee met in open markup session at 2:08 p.m., in room 2172, Rayburn House Office Building, Hon. Michael Barnes (chairman of the subcommittee) presiding.

Mr. **Barnes**. Ladies and gentlemen, the Subcommittee on Western Hemisphere Affairs will come to order. We meet this afternoon to consider House Joint Resolution 540 which would approve the President's request for $70 million in covert lethal aid and $30 million in nonlethal assistance for the Contras. At the conclusion of this hearing, we will vote on this measure, and as I understand it, the full committee will vote on it tomorrow.

AUDIT OF CONTRA AID BY THE GAO

Last October, I asked the General Accounting Office to conduct an audit of the expenditure of the $27 million in nonlethal aid that the Congress provided last year and to monitor compliance with the terms of the legislation. I specifically asked that the General Accounting Office review procedures required to be established to ensure that this assistance is used only for the intended purpose and is not diverted for the acquisition of lethal items and conduct any necessary onsite inspections to confirm the delivery of the aid.

I am pleased to be able to welcome this afternoon to the subcommittee, Mr. Frank Conahan, Director of the National Security and International Affairs Division of the General Accounting Office who will testify on the results of this study. After we have had a chance to question Mr. Conahan, we will be hearing from the administration. But before we welcome our first witness, let me recognize the gentleman from California, the ranking minority member for any comments that he may have at the opening of the hearing.

Mr. **Lagomarsino**. Thank you, Mr. Chairman. I do have a rather extensive opening statement.

It seems somewhat ironic to me, Mr. Chairman, that critics of the Reagan administration policy in Central America harp on two themes. One, the administration policy has failed, and two, the administration is seeking a military solution in the region.

When you look at what has happened in Central America in the past 5 years, you see democratic governments taking over in Honduras, El Salvador, and Guatemala. If U.S. policy had failed or stressed only military solutions, you can be certain that would not have happened.

The only military dictatorship in Central America now is the one in Nicaragua. But if U.S. policy has failed there, it has not been from lack of trying, nor has it been from a failure to seek a negotiated settlement with the Sandinista Communists. I am including as part of this statement a chronology of peace initiatives by the United States and the democratic resistance in Nicaragua which clearly shows that the failure of negotiations is due to Nicaraguan Government opposition.

[The document referred to follows:]

UNITED STATES/DEMOCRATIC RESISTANCE PEACE INITIATIVES FOR NICARAGUA AND CENTRAL AMERICA

In reviewing the chronology of efforts to achieve peace in, Central America, it is essential to keep in mind the objectives of U.S. policy regarding Nicaragua:

1. U.S. objectives are not to overthrow the Nicaraguan government but to apply consistent firm pressure for a change in policies of that government.
2. The United States seeks a Sandinista agreement to enter into a dialogue with their domestic opponents to achieve national reconciliation [the same was asked of the Salvadoran government].
3. The United States seeks specifically the achievement of four goals by the Sandinista government in Nicaragua:
    - A. The Sandinistas should fulfill their promises of democracy, respect for human rights, a mixed economy and non-alignment made to the Nicaraguan people and the OAS in July 1979.
    - B. They should halt their massive military build-up and restore a military balance to the region.
    - C. They should sever their military/security ties with the Soviets and Cubans.
    - D. The Sandinistas should stop supporting subversion and terrorism in neighboring countries.

With U.S. objectives in mind, from reviewing the following chronology, it is apparent the Reagan Administration from the beginning has attempted to seek a peaceful resolution to the problems we face in our relations with Nicaragua:

August-October 1981: United States initiates diplomatic exchanges with Nicaragua. U.S. offers bilateral nonaggression agreement and renewed economic assistance and offers to use its influence to encourage Nicaraguan exiles in the U.S. to moderate their behavior if Nicaragua stops aid to Salvadoran guerrillas, give pluralism a chance and limits its military buildup.

***Nicaragua rejects U.S. offer as "sterile."

March 15, 1982: Honduras proposes Central American peace plan in the OAS to reduce arms and foreign military advisers, to respect nonintervention, and to provide for international verification of commitments.

April 9, 1982: U.S. offers eight-point proposal to Nicaragua. Nicaragua demands high-level meeting in Mexico.

October 4, 1982: In Costa Rica, seven democratic governments (including U.S.) sign the "Declaration of San Jose" outlining conditions for a regional settlement. Proposal included following:

-- Central America should be free of East-West competition. All foreign militay advisors and trainers should leave region. Specific reference was made to advisors from Cuba, the U.S.S.R., Bulgaria, East Germany, the PLO and the U.S.

-- Central American nations should live without fear, proposing mutual and verifiable accords banning the import of heavy offensive weapons, renouncing the support for insurgency on neighbors' territory and providing for international surveillance of frontiers.

-- Establishment of democratic institutions open to opposition elements.

***Nicaragua refuses to receive Costa Rican Foreign Minister as emissary of group.

January 8, 1983: Contadora declaration issued by Foreign Ministers of Colombia, Mexico, Venezuela and Panama recommending dialogue and negotiation. In order to maximize the chances for Nicaraguan agreement to participate, Contadora suggested the U.S. not participate.

***Nicaragua still not receptive, went instead to UN Security Council claiming it wanted to meet bilaterally with the U.S. and Honduras, not regionally.

April 1983: Nicaraguan Interior Minister Tomas Borge, in an interview for Cuban television, stresses subjects his country would not negotiate: ***Nicaragua would not discuss the principles of the Sandinista revolution; it would not enter into a dialogue about the overall Central American situation; and it would not talk about "counter-revolutionaries."

April 27, 1983: President Reagan announces appointment of a Special Envoy for Central America for purpose of facilitating internal dialogue in both El Salvador and Nicaragua.

July 21, 1983: Costa Rica, El Salvador, Guatemala and Honduras propose peace plan drawing on Honduran plan of March 1982 and emphasizing relevance of democratization to peace and stability of region.

July 23, 1983: President Reagan supports Contadora principles in letter to Contadora Group presidents.

September 9, 1983: Contadora Document of Objectives approved by the five Central American states. It sets goals for regional negotiations, including democratic pluralism, national reconciliation, cessation of support to paramilitary forces, arms control, withdrawal of foreign advisers and verification.

October 20, 1983: Nicaragua proposes four treaties to implement six-point peace plan it had originally proposed in July 1983, but ***proposals do not address Contadora objectives of democratic national reconciliation, reductions in arms and foreign advisers.

December 24, 1983: Nicaraguan opposition group "Coordinadora" [which includes Arturo Cruz] issues communique calling for dialogue leading to open elections.

April 22, 1984: Easter pastoral letter of the Nicaraguan bishops calls for dialogue, including talks with the armed resistance.

June 1, 1984: Secretary of State Shultz visits Managua to launch bilateral talks in support of reaching a comprehensive Contadora agreement.

June 8-9, 1984: Contadora Group submits first draft Contadora agreement to Central American governments for comment.

June 25, 1984: U.S. and Nicaragua begin first of nine rounds of bilateral talks at Manzanillo, Mexico.

September 7, 1984: Contadora Group submits revised draft Contadora agreement.

September 21, 1984: Nicaragua states willingness to sign September 7 draft ***on condition that it is approved without modification [September 7 draft does not provide verification or enforcement procedures].

November 19, 1984: 8th round of Manzanillo talks. U.S. offers bilateral assurances in return for Nicaraguan acceptance of modifications to September 7 Contadora draft.

December 10, 1984: 9th round of Manzanillo talks. ***Nicaragua definitively rejects U.S. proposal; proposes bilateral accords in lieu of Contadora, addressing its security issues only.

January 18, 1985: U.S. suspends Manzanillo meetings pending further developments in the Contadora process.

February 22, 1985: "Coordinadora" issues statement in Managua calling for church-mediated internal dialogue.

March 1, 1985: Nicaraguan resistance issues document in San Jose, Costa Rica calling for national dialogue and asking for church mediation.

March 22, 1985: Nicaraguan Episcopal Conference issues communiqu accepting mediation role in dialogue.

April 4, 1985: President Reagan calls on Nicaraguan government to accept dialogue and asks opposition to keep open March 1 peace offer until June 1. Nicaraguan opposition agrees.

***Sandinistas refuse to respond.

April 11, 1985: Contadora group reaches agreement in principle on revised verification procedures.

May 14, 1985:***Nicaragua reneges on international corps of inspectors for verification which was agreed to in April.

June 1985: Principal groups of the democratic resistance for the United Nicaraguan Opposition (UNO).

June 11, 1985: President Reagan sends letter to Representatives McCurdy, Michel and McDade indicating willingness of U.S. to continue bilateral Manzanillo talks if Sandinistas move toward internal dialogue in Nicaragua.

July 26, 1985: Secretary Shultz states U.S. willingness to resume bilateral talks if resumption would promote progress in Contadora and national reconciliation in Nicaragua.

September 12, 1985: Contadora Group presents draft of a final agreement.

October 29, 1985: Special Envoy Shlaudeman tells Nicaraguan Ambassador Tunnermann that the U.S. would resume bilateral talks if the Sandinistas accepted the March 1 offer of the Nicaraguan resistance.

***Nicaragua rejects March offer as totally unacceptable.

November 11, 1985: ***Nicaragua details objections to September 12 Contadora draft agreement. Nicaragua argued it could not accept the Contadora agreement unless it reached a prior accommodation with the United States.

December 3, 1985: ***Nicaragua requests suspension of Contadora peace negotiations until May 1986.

December 9, 1985: OAS General Assembly votes 25-1 to urge continuation of Contadora talks. *** Nicaragua only member to vote against resolution.

January 12, 1986: Contadora Group [Mexico, Colombia, Venezuela and Panama] and Contadora Support Group [Argentina, Brazil, Peru and Uruguay] issue communique at Caraballeda, Venezuela stating urgency to giving a renewed thrust to Contadora and heavily emphasizes national reconciliation and promises "new steps" to promote national reconciliation.

January 16, 1986: ***Nicaragua describes Caraballeda communique only as prerequisites to Contadora talks and reaffirms November 11 objections to Contadora draft agreement.

January 17, 1986: Secretary Shultz meets with group, reaffirms strong U.S. support for Contadora peace effort and repeats U.S. belief that Nicaragua's behavior and failure to keep its word is the heart of the problem. U.S. Special Envoy Shlaudeman will be sent to explore possibilities in Caraballeda message in visit to region.

January 17, 1986: Honduran President-elect Azcona visits Washington and says he opposes resumption of U.S.-Nicaraguan bilateral talks which he says would detract from Contadora.

January 22, 1986: The United Nicaraguan Opposition (UNO) [contras] issues statement of principles and objectives of a Provisional Government of National Reconciliation which expresses UNO's commitment to peace, democracy, observance of human rights, and promotion of social justice.

February 5, 1986: ***Nicaragua repeats objections to September 1985 Contadora draft agreement in Ortega speech before Third Cuban Communist Party Congress in Cuba.

February 6, 1986: Opposition political parties in Nicaragua propose suspension of hostilities, general amnesty, repeal of the state of emergency, agreement for new elections, fulfillment of Sandinista commitments for democratization and international assistance in implementing proposals. ***Nicaragua rejects proposal.

February 10, 1986: Secretary Shultz meets with Foreign Ministers of Contadora Group and Support Group and offers to resume bilateral talks with Nicaragua simultaneously with the beginning of a Sandinista dialogue with the democratic resistance.

February 14-15, 1986: ***Nicaragua refuses to address remaining issues to be resolved in current Contadora draft agreement during Contadora negotiating session.

Mr. Lagomarsino. Critics of the administration in this Congress are quick to accuse the United States of being unwilling to seek a peaceful solution to the crisis in Central America. Many of those same critics are the ones who call for internal reconciliation and dialog in El Salvador. The United States expects the same from the Sandinistas. So far it has been the Sandinista Communists who have rejected internal reconciliation and dialog.

PUBLIC OPINION IN CENTRAL AMERICA

As for the question of whether the issues we face in Central America represent an East-West confrontation, the answer is a definite yes according to a recent poll conducted by a Gallup affiliate in the region. The poll was conducted by the Inter-Disciplinary Consultants on Development, Inc., a Gallup affiliate, located in Costa Rica between June and November of last year. The poll was conducted in Costa Rica, Honduras, Guatemala, and El Salvador among 3,338 adults who had completed at least 1 year of secondary school.

One of the questions asked was this one. Some people say that the Soviet Union has nothing to do with the armed conflicts in Central America. Others say that Russia actively foments the armed conflicts. What do you think?

A. Those answering yes, definitely or yes, probably totaled from a low of 79 percent in El Salvador to a high of 93 percent in Costa Rica. Also, in every case, the yes, definitely was the higher percentage.

Critics of the administration often point to the public statements of Government officials in Costa Rica, Honduras, Guatemala, and El Salvador as evidence of opposition to the United States policy of giving aid to the Contras. The following question was asked in the Gallup poll: What is your opinion about assistance given to the Contra forces in Nicaragua? Do you approve strongly, approve somewhat, disapprove somewhat or disapprove strongly or haven't you heard enough to have an opinion?

The responses were like this. Approve strongly or approve somewhat: Costa Rica, 69 percent; Honduras, 55 percent; Guatemala, 54 percent; and El Salvador, 52 percent. Disapprove strongly or disapprove somewhat: Costa Rica, 24 percent; Honduras, 25 percent; Guatemala, 22 percent; and El Salvador, 19 percent.

Mr. Chairman, I would ask that the entire results of the poll be included in the record of this hearing.[1]

Mr. Barnes. If there is no objection.

Mr. Lagomarsino. Before I conclude my opening remarks, Mr. Chairman and I will soon do that, I would like to call to the attention of my colleagues and to the media the presence today in the audience of Augusto Sandino's grandson. His name is Aristides Pavon, and I would like him to stand up.

Mr. Pavon was imprisoned by the Sandinista Communists for 3 years and was tortured because he would not support their regime. He was threatened with being killed or being sentenced to 30 years because, being a grandson of Sandino, he was opposing the Sandinistas. Mr. Pavon says and I quote:

---

[1] The document referred to is on file in the subcommittee offices.

> My grandfather was never a Communist. He was against all foreign influence including the Americans or the Communists who tried to manipulate his movement. He would have been violently opposed to the Cuban and Soviet influence on our country today.

For the benefit of the media, Mr. Pavon will be holding a press conference tomorrow morning at 9:30 in room 2255 in this building and I would urge you to attend. Mr. Pavon's opposition to the Sandinistas calls to mind a recent statement by American labor leader Bill Doherty. Last December he said, "There are more Sandinistas, the true Sandinistas, fighting in the freedom forces than there are in the Sandinista militia."

So I welcome the administration's testimony and the other witnesses here today and look forward to hearing from them. Thank you, Mr. Chairman.

Mr. **Barnes**. Are there any opening statements from any of our other colleagues. If not, we will move directly to the testimony. Mr. Conahan, we welcome you and your colleagues and appreciate very much you being here today.

STATEMENT OF FRANK C. CONAHAN, DIRECTOR, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE

Mr. **Conahan**. Thank you, Mr. Chairman and members of the subcommittee. We are pleased to be here to present the results of our work. Perhaps I could submit my statement for the record and present a slightly shortened version here this afternoon. My statement will concentrate on our review of the accounting and management procedures and controls to ensure that the funds are spent in accordance with the law's intent.

LIMITATIONS ON GAO'S INVESTIGATION

Before I discuss the results of our review, Mr. Chairman, I would like to point out some limitations on our presentation today. We have been informed by the Department of State that certain information about the program is classified. Included are specific quantities of items purchased, attitudes and roles of countries in the region with respect to this program, and attempts to arrange for delivery of goods purchased in the United States. We will not provide information concerning those subjects in an open hearing at the request of the Department of State.

None of these limitations however hinders our ability to address your major question. That is, does the Department of State have adequate procedures and controls to ensure that the funds are being used for the purposes intended by law and are not being diverted to other uses.

STATE DEPARTMENT DOES NOT HAVE ADEQUATE CONTROLS TO VERIFY EXPENDITURES

Our overall answer is that the Department does not have procedures and controls which would allow it to provide these assurances, in large measure because those charged with administering the program are unable to verify expenditures made in the region and are unable to observe the end use of procured items to ensure that they were not diverted, bartered or otherwise exchanged.

Initially, the State Department's Nicaraguan Humanitarian Assistance Office, which is charged with the program's administration, had intended to set up operations in the region but diplomatic sensitivities of certain countries in the region prevented it from doing so. Thus, it is not able to exercise the financial and programmatic control beyond the U.S. borders that it wanted to.

We reviewed all expenditures as of February 24, 1986. As of that date, the Assistance Office had actually paid out over $12.2 million. About $5.2 million was spent in the United States and $7.1 million was spent in the region. The office's control over its funds varied significantly depending on whether the purchases were made in the United States or in the region.

CONTROL OVER U.S. PURCHASES IS ADEQUATE

For purchases from U.S. suppliers, the office exercises considerable control over disposition of the funds. It has established procedures for administering procurements and making payments which allows it to control and oversee the types of goods and services being purchased and the prices paid.

It is a much different story for the $7.1 million in purchases made outside the United States. The Assistance Office has received invoices and receipts to support almost all purchases and, before authorizing payment, it reviews the invoices and receipts to ensure that the items are allowable under the program. However, from its offices here in town, the Assistance Office cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices, and cannot verify actual delivery or receipt of the items.

PAYMENT IS NOT MADE DIRECTLY TO THE SUPPLIER

Another major difference between controls over U.S. source procurements and those made in the region is that payment is not made directly to the supplier. Instead, payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. There is no audit trail showing payments from the brokers accounts to suppliers and only partial documentation of shipments from the suppliers to the resistance forces.

Despite the deficient controls over expenditures outside the United States, an increasing proportion of the assistance funds is being spent in the region. Assistance Office officials attribute this situation to the difficulties encountered in delivering U.S. purchased items to the resistance forces. Initially, the office had assumed that, except for food, most supplies would be purchased from U.S. suppliers not only because control would be greater but also because the quality of U.S. goods was higher and U.S. costs were lower.

However, due to diplomatic sensitivities of countries involved, deliveries of goods purchased in the United States could not take place. The U.S. sourced items were stored in U.S. warehouses, principally in New Orleans. This has delayed the delivery of supplies, mostly pharmaceuticals, boots and field gear to the resistance forces, and has caused more money to be spent in the region than might otherwise have been the case.

If delivery problems continue, most funds are likely to be spent in the region. The Department has recently undertaken intensified efforts to reverse problems in delivering U.S. source goods to the resistance.

Mr. Chairman, I cannot say more on that particular subject in open session. But perhaps today, the State Department might make some statement on current activity in that regard.

WHAT HAS BEEN PURCHASED WITH $12.2 MILLION

Turning now to what has been purchased for the $12.2 million spent to date, the legislation stipulates that funds be used to provide food, clothing, medicines and other humanitarian assistance. The legislative definition specifically rules out weapons, ammunition or other items which could cause injury or death. The principle criterion used by the Assistance Office in determining what can be provided is that it be nonlethal.

The $12.2 million has been spent on the following broad categories: $4.7 million on food and sundries, $2.8 million was spent for pharmaceuticals and medical supplies. Clothing accounts for about $2.7 million and then there are four or five additional categories covering miscellaneous supplies and equipment such as blankets and tools, transportation, storage, various other medical expenses including hospitalization of resistance fighters, and administrative expenses for both the United Nicaraguan Opposition [UNO] as well as the State Department's Assistance Office.

NO BASIS TO EVALUATE REGIONAL RECEIPTS

In closing, I want to emphasize that the foregoing breakdown of expenditures is based on our examination of receipts provided to the Assistance Office. While we are confident that the receipts for U.S. sourced items are valid, we have no basis to evaluate regional receipts. We inspected U.S. sourced items in warehouses in New Orleans and are satisfied that receipts reflect purchased items. We were not able to do the same for purchases made in the region. I must say however that we found nothing to indicate that the Assistance Office actually paid for lethal items.

I would like to take whatever questions you have now, Mr. Chairman.

[Mr. Conahan's prepared statement follows:]

Prepared Statement of Frank C. Conahan, Director, National Security and International Affairs Division, General Accounting Office

HUMANITARIAN ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE

Mr. Chairman, Members of the Subcommittee:

I am pleased to be here to discuss the management of the $27 million in humanitarian assistance authorized for the Nicaraguan democratic resistance. My statement will concentrate on our review of the accounting and management procedures and controls to ensure that the funds are being spent in accordance with the law's intent.

Before I discuss the results of our review, I would like to point out some limitations on our presentation today. We have been informed by the Department of State that certain information about this program is classified. For example, State has told us the following matters are classified: specific quantities of items purchased, attitudes or roles of countries in the region with respect to this program, and attempts to arrange for delivery of goods purchased in the United States.

None of these limitations, however, hinders our ability to address your major question; i.e., does the Department of State have adequate procedures and controls to ensure that the funds are being used for the purposes intended by law, and are not being diverted to other uses.

Our overall answer is that the Department does not have procedures and controls which would allow it to provide these assurances--in large measure because those charged with administering the program are unable to verify expenditures made in the region, and are unable to observe the end use of procured items to ensure that they were not diverted, bartered, or exchanged. Initially, the State Department's Nicaraguan Humanitarian Assistance Office (NHAO)--which is charged with the program's administration--had intended to set up operations in the region, but diplomatic sensitivities of certain countries in the region prevented NHAO from doing so. Thus, NHAO is not able to exercise the financial and programmatic control beyond the U.S. borders that it wanted to.

We reviewed all expenditures as of February 24, 1986 (a detailed breakdown is attached to the statement). As of that date, NHAO had actually paid out over $12.2 million. About $5.2 million (or 42 percent) was spent in the United States, and $7.1 million (or 58 percent) was spent in the region. NHAO's control over its funds varied significantly depending on whether the purchases were made in the United States or in the region.

For purchases from U.S. suppliers, NHAO exercises considerable control over disposition of funds. NHAO has established procedures for administering procurements and making payments, which allows it to control and oversee the types of goods and services being purchased and the prices paid. NHAO relies principally on the United Nicaraguan Opposition (UNO)--an umbrella organization representing the various resistance forces--to determine the types and quantities of goods and services to be purchased.

UNO submits to NHAO a pro forma invoice prepared by a proposed U.S. supplier identifying the goods or services to be purchased and the amount to be paid. NHAO reviews the invoice to determine if the item or service is consistent with program objectives and that the stated price appears to be reasonable. In many cases, NHAO obtains Dunn and Bradstreet reports on the proposed supplier to ensure that the company is legitimate. Furthermore, NHAO often checks with other suppliers of similar items and with DOD procurement officials to verify the reasonableness of prices quoted. If the review is satisfactory, NHAO provides the supplier a letter of commitment for the funds to be paid upon receipt of the goods by UNO. When the supplier sends NHAO a confirmation of delivery of the goods, NHAO issues a payment voucher, and the Treasury sends a check directly to the supplier. NHAO also has inspected some of the supplies stored in U.S. warehouses awaiting shipment to the region to ensure that approved items have been delivered.

It is a much different story for the $7.1 million in purchases made outside the United States. NHAO has received invoices and receipts to support almost all purchases, and before authorizing payment, NHAO reviews the invoices and receipts to ensure that the items are allowable under the program. However, from its offices in Rosslyn, Virginia, NHAO cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices, and cannot verify actual delivery or receipt of items. Another major difference between controls over U.S.-sourced procurements and those made in the region is that payment is not made directly to the supplier. Instead, payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents. There is no audit trail showing payments from the brokers' accounts to suppliers, and only partial documentation of shipments from the suppliers to the resistance forces.

Despite the deficient controls over expenditures outside the United States, an increasing proportion of the assistance funds is being spent in the region. NHAO officials attribute this situation to the difficulties encountered in delivering U.S.-purchased items to the resistance forces. Initially NHAO had assumed that, except for food, most supplies would be purchased from U.S.-suppliers--not only because NHAO's control would be greater, but also because the quality of U.S. goods was higher and U.S. costs were lower. However, due to the diplomatic sensitivities of the countries involved, deliveries of goods purchased in the United States could not take place. Thus, U.S.-sourced items were stored in U.S. warehouses, principally in New Orleans. This has delayed the delivery of supplies (mostly pharmaceuticals, boots, and field gear) to the resistance forces, and has caused more money to be spent in the region than might otherwise have been the case. If delivery problems continue, most funds are likely to be spent in the region. The Department has recently undertaken intensified efforts to reverse problems in delivering U.S.-sourced goods to the resistance.

Turning now to what has been purchased for the $12.2 million spent to date. (A breakout is attached to the statement.) The legislation stipulates that funds be used to provide food, clothing, medicines, and other humanitarian assistance. The legislative definition specifically rules out weapons, ammunition, or other items which could cause injury or death. The principal criterion used by NHAO in determining what can be provided is that it be non-lethal.

The $12.2 million has been spent on the following broad categories:

--$4.7 million (or 39 percent) on food and sundries, which were procured in the region. Food receipts included other items such as clothing, matches, cigarettes, and toilet articles. About $350,000 of the $4.7 million purchased local currency, which was to be used for food.

--$2.8 million (or 23 percent) was spent for pharmaceuticals and medical supplies. Most of these were purchased in the United States.

--The last major item--clothing--accounts for $2.7 million (or 22 percent) of the expenditures. About $1.8 million was spent in the United States and the remainder was spent in the region. Included in the clothing purchases were combat boots, uniforms, ponchos, socks, and web gear.

About another million dollars was spent for miscellaneous supplies and equipment, such as blankets, tools and trucks--a little more than half of which was spent in the United States and the rest in the region. Over $500,000 was expended on transportation, storage, and warehousing of these items, mostly in the United States. Lastly, about $260,000 was spent on various medical expenses, including hospitalization of resistance fighters; $125,000 was spent on a UNO-administered human rights program; and about $75,000 was spent for UNO administrative expenses. An additional $89,000 is for NHAO administrative expenses.

I want to emphasize that the foregoing breakdown of expenditures is based on our examination of receipts provided to NHAO. While we are confident that the receipts for U.S.-sourced items are valid, we have no basis to evaluate regional receipts. We inspected U.S.-sourced items in warehouses in New Orleans and are satisfied that receipts reflect purchased items; we were not able to do the same for purchases made in the region. We found nothing, however, to indicate that NHAO paid for lethal items.

This concludes my prepared remarks. I would be happy to answer any questions you might have.

SUMMARY OF GOODS AND SERVICES
(As of February 24, 1986)

GOODS AND SERVICES (Examples)	TOTAL	PURCHASES MADE...	
		NOT IN U.S.	IN THE U.S.
Food, sundries, consumables, foreign currency, and some delivery costs	$ 4,694,496	$4,694,496	$ 0
Pharmaceuticals, medical supplies, and refrigerators (drug storage)	2,764,551	281,602	2,482,949
Uniforms, boots, ponchos, socks, hats, belts, & other clothing	2,672,464	919,530	1,752,934
Flashlights, hand tools, hammocks, trucks, and other equipment	989,113	420,716	568,397
Transportation, storage, security, warehousing, and some freight costs	555,793	391,372	164,421
Medical services, hospitalization and related expenses, and doctor fees	262,240	222,884	39,356
Human Rights Program (Fundacion de Nicaragua)	125,000	125,000	0
Administrative support for United Nicaraguan Opposition	75,448	0	75,448
TOTAL OF GOODS AND SERVICES	12,139,105	7,055,600	5,083,505
Nicaraguan Humanitarian Assistance Office administrative expenses	89,167	0	89,167
TOTAL	$12,228,272	$7,055,600	$5,172,672

NOTES:

1. Transport for food and other commodities was sometimes listed separately. At other times, it was included in the price of the commodity. Similarly, receipts for food at times included sundries and clothing which were not listed separately under other commodity categories.

2. Receipts for food purchased outside the United States usually included sundries and clothing, such as cigarettes, batteries, matches, candles, antimosquito incense, toilet paper, deoderant, glue, insect killer, toothpaste, panties, bras, plates, detergent, shoe polish, sandals, socks, mops, soap, plastic buckets, flashlight bulbs, blankets, shirts, frying pans, engine oil, and oil filters.

Mr. **Barnes**. Thank you very much, Mr. Conahan. Mr. Conahan, did the Nicaraguan Humanitarian Assistance Office have a chance to review your statement?

Mr. **Conahan**. Yes, sir. We went over the statement with them just yesterday.

Mr. **Barnes**. Did they have any problem with your conclusions, any disagreement with anything?

Mr. **Conahan**. I am not aware of any, no, sir.

PAYMENTS TO BROKERS' ACCOUNTS IN MIAMI

Mr. **Barnes**. In discussing the purchases made outside of the United States you said, "From its offices in Rosslyn, Virginia, the Nicaraguan Humanitarian Assistance Office cannot assess the validity of the regional receipts, is unable to check out many suppliers, has difficulty establishing reasonableness of prices and cannot verify actual delivery or receipt of items." You went on to describe a process through which payment is usually made to a Miami bank account of one of several brokers authorized by the regional suppliers to act as their agents.

Do you know who the brokers are? Can you identify them?

Mr. **Conahan**. I can provide that information for the record. I believe that the Department of State considers that classified information. I and they could provide it, but it would be in a closed forum.[1]

Mr. **Barnes**. It is classified information, who is providing this humanitarian assistance?

Mr. **Conahan**. It is my understanding the Department of State considers it sensitive so that it is classified information.

Mr. **Barnes**. Can you tell us whether these brokers work for the FDN?

Mr. **Conahan**. I do not have that information. They work on behalf of suppliers in the region.

Mr. **Barnes**. And it is secret who is selling clothing and medicine, who is brokering the sale of clothing and medicine. Why is that classified?

Mr. **Conahan**. The General Accounting Office, and this is not a cop-out, simply does not have original authority to classify or declassify. We are obliged to handle information as it is treated by the agency from which we obtain it.

Mr. **Barnes**. I understand it is not your decision on that but it is extraordinary that the purchase of medical supplies, food, clothing and who we are buying it from could be classified.

Mr. **Conahan**. I think, Mr. Chairman, that the position of the Department of State with respect to the individual suppliers is that their identification might constitute a threat to individual suppliers.

Mr. **Barnes**. Including the brokers in the United States.

Mr. **Conahan**. I do not take it to include the brokers.

---

[1] The information, referred to was provided to the subcommittee, in a classified form, on March 21, 1986.

Mr. **Barnes**. Are these payments made to a separate account or are they comingled with other funds that are available to the forces that we are assisting?

Mr. **Conahan**. The payments are made directly to the suppliers in the United States and they are made to the brokers with respect to items being procured in the region.

Mr. **Barnes**. This is obviously an unusual arrangement for the provision of U.S. assistance to other countries or to the people operating in other countries. As Director of the National Security and International Affairs Division of the GAO, have you ever seen anything like this before?

Mr. **Conahan**. Well, as you know, Mr. Chairman, there are any number of forms for the distribution or assistance funds. Under the economic programs, we have the economic support fund. We have cash transfers, we have project assistance. We do have payments made directly to U.S. suppliers under those various programs. So to that extent, I do not see much difference. I think that the difference here is that the legislation which authorized the funding directed the executive branch to set up a mechanism which would assure that the funds were being used for the purposes intended and to avoid any possibility of diversion of the funds.

For purchases being made outside of the United States, the administration has not been able to put such a system in place and in fact does not have assurances therefore that the funds are being used for the purposes intended and are not being divested.

ADMINISTRATION IS NOT COMPLYING WITH THE LAW

Mr. **Barnes**. So what you are saying is the administration is not complying with the law with respect to assuring that the funds are not being diverted and permitting you to make an accounting to demonstrate that?

Mr. **Conahan**. The law I believe says that the administration will come up with an appropriate mechanism. I think that I would have to say that——

Mr. **Barnes**. And have they done that?

Mr. **Conahan**. They have not done that.

Mr. **Barnes**. And they have not done that.

Mr. **Conahan**. I think that under the circumstances that the Department of State has done about as much as it can. To the extent that the Department of State has to live with the constraints imposed by countries in the region, I do not know how it can go that extra step to verify what the records provided to it show. And I think that is a necessary part of providing the kind of accountability and the kind of control that was envisioned in the statute.

Mr. **Barnes**. Well, I do not want to put words in your mouth but the statute is pretty clear that it envisions mechanisms that can assure that the funds are being used for the purposes enumerated in the statute and you have testified that you cannot do that for a variety of reasons which may be beyond the control of the State Department but you cannot do it.

Mr. **Conahan**. I agree with that.

Mr. **Barnes**. You say that there is no evidence that you have discovered that there has been diversion of funds, but if somebody on the other end wanted to, the procedure that has been established would facilitate that because you just cannot track it?

Mr. **Conahan**. I do not think that I would agree that it would facilitate that. I would say that it would not detect it.

Mr. **Barnes**. I see. Well, thank you very much. Let me recognize my colleagues for questions. The gentleman from California, Mr. Lagomarsino.

Mr. **Lagomarsino**. Thank you, Mr. Chairman. Mr. Conahan, your statement reads for release on delivery expected at 2 p.m., March 5, 1986. March 5 is today I presume, yesterday was March 4. In this morning's Washington Post, there is a story about the investigation. Did your office deliver a copy of the statement to the Washington Post sometime before this morning's edition came out?

Mr. **Conahan**. No, sir, we did not.

Mr. **Lagomarsino**. Who were copies delivered to?

Mr. **Conahan**. To my knowledge the only copy delivered outside of the General Accounting Office was to this committee.

Mr. **Lagomarsino**. To this committee?

Mr. **Conahan**. To this subcommittee. We delivered a draft copy yesterday afternoon.

Mr. **Lagomarsino**. OK. Mr. Conahan, do you believe that the headline in the Washington Post this morning appropriately characterizes your report?

Mr. **Conahan**. I believe that I would like to go about that in two ways. It talks about GAO faulting something.

Mr. **Lagomarsino**. I understand about the headline.

Mr. **Conahan**. It is "GAO faults auditing of contra aid." I think in a technical sense we are not talking about auditing, we are talking about controlling the funds. We are talking about accountability over those funds. So that if we were to substitute a control in accountability, I would feel much better than audit. Now insofar as GAO faults is concerned, again, if you are using as your criteria the provision of law enacted to authorize these funds, I would say, yes, GAO is faulting the accountability and control.

If you bring in the notion of what is practical and doable then I back away a little bit from pointing such a direct finger.

Mr. **Lagomarsino**. Now you say in your statement that based on your review, you can say that you saw no evidence of funds being diverted for lethal use. Is that correct?

Mr. **Conahan**. That is correct, sir.

Mr. **Lagomarsino**. This is sort of a hypothetical question but I think you can answer it. Does it seem likely that the democratic resistance would have been relatively inactive militarily over the past 6 months if they had been diverting funds for lethal use?

Mr. **Conahan**. I think one needs to take into account the amount of funds that we are talking about here. To date, there has been a maximum of about $12 million in shipments. Going back as recently as early February, it was only at about perhaps $8 million. We are reasonably satisfied with the shipments made out of the United States. So we are talking about a smaller amount of money. Now what that translates to in terms of their ability to use that for barter or exchange, I just am in no position to answer that.

Mr. **Lagomarsino**. How often is the GAO requested to give a full accounting of U.S. funds going to other countries?

Mr. CONAHAN. Quite frequently. We spend something on the order of 150 to 160 staff years of work following international programs. I would say about half of that deals with both military and economic assistance programs around the world.

Mr. LAGOMARSINO. Now, obviously in this forum or at least in this open forum, we cannot talk about any kind of covert military assistance that might be going to places like Afghanistan but we do have an overt humanitarian program there and another one planned. Have you been asked to do an accounting on that?

Mr. CONAHAN. No we have not, sir.

Mr. LAGOMARSINO. Thank you.

Mr. BARNES. Before recognizing the gentleman from Massachusetts, the Chair would just note that when the committee received the document from the General Accounting Office yesterday, copies were made available to the minority immediately yesterday as well as to other members of the committee.

Mr. LAGOMARSINO. If I might say, Mr. Chairman, not immediately and only to the minority counsel for this side of the aisle. I understand it was given to all of the legislative assistants on your side.

Mr. BARNES. I do not know what distribution your staff makes but on our side, our staff gives it to everybody. I do not know what your staff did as soon as he received it yesterday afternoon. But he had access to it as I understand it when the committee received the testimony yesterday. In my experience, Congress is not the sole source of distribution of documents that are to be held for a day or two. I am constantly opening unmarked envelopes with all kinds of internal administration stuff that people want to see land on my desk for some reason.

So I do not know that the suggestion that was made, if there was an implication intended, was warranted.

Mr. LAGOMARSINO. There was.

Mr. BARNES. The Chair would recognize the distinguished gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I do not have many questions. I never read those documents; I wait for the convenient summaries provided by the Post and New York Times to make it much, much easier. This document upon which the security of the Republic obviously now depends, was that classified?

Mr. CONAHAN. Our statement?

Mr. STUDDS. Whatever it was that was delivered to the Washington Post?

Mr. CONAHAN. No, sir.

ATTITUDES OF CENTRAL AMERICAN NATIONS ON AID

Mr. STUDDS. Oh, I could have sworn that something awful happened. Let me ask you just one question. You said that one of the things that you were not permitted to testify about because the State Department informed you was classified, did I understand you to say was the attitude of countries in the region? Is that what you said?

Mr. CONAHAN. The attitudes of countries in the region concerning this particular humanitarian assistance effort.

pages tightly bound

Mr. Studds. You were informed by our Department of State that the attitude of the countries of Central America, many of whom I assume are our allies, with regard to this single most important of U.S. policies in the region is classified?

Mr. Conahan. I believe that that is an accurate description of the category of information that the Department of State said was classified.

Mr. Studds. Well, no wonder they want the CIA to run the program. I wonder, do you know whether directives have been given to the heads of State in this hemisphere not to speak about this program?

Mr. Conahan. No, sir.

Mr. Studds. I am glad to hear that. I have no questions, Mr. Chairman.

Mr. Barnes. The gentleman from Arizona.

Mr. McCain. Thank you, Mr. Chairman. Mr. Conahan, when the GAO finds deficiencies in auditing practices say at the Defense Department, remedies are usually recommended. There is usually a place for, in fact you have made extensive recommendations as to how we could revise the Defense Department usually along GAO lines. Do you think that the Nicaraguan Humanitarian Assistance Office has so mishandled the aid that the Office should be shut down?

Mr. Conahan. I think that a decision has to be made as to whether we want to continue the program. I am not sure that the Assistance Office can do an awful lot more than it is doing right now to provide the kind of accountability and control that they originally intended to provide and wanted to provide.

Mr. McCain. So, I will ask the question again. Do you think that the Office should be shut down?

Mr. Conahan. I have no basis for suggesting it be shut down.

REMEDIES FOR THE PROGRAM

Mr. McCain. Then, what kind of remedies do you recommend?

Mr. Conahan. That is a very difficult question. I do not have a very good remedy so long as the cooperation of governments in the region does not improve. I think that we need that kind of cooperation from those governments in order for the State Department to put in place the kind of in-country controls required.

Mr. McCain. And I think you are making an important statement here that when you said that the State Department has "Done about as much as it can." And, I think then that we have to look at not only whether the State Department has been able to carry that out but what factors have been involved that prevented them to be in the words of our chairman "in compliance with the law."

In light of diplomatic sensitivities, do you think it might be easier to track supplies if the program was not a overt program, if it were a covert program?

Mr. Conahan. I do not think that I would want to take the position that this particular program be covert. I will not take that position.

Mr. McCain. I am not asking. That is not my question, Mr. Conahan. My question is, Would it be easier to track the supplies were the program covert rather than overt?

Mr. Conahan. As I understand covert programs, I believe that we might be able to put in place the kind of mechanism.

Mr. McCain. Thank you. In your experience, is there another agency within the Government that could better handle the flow of supplies then the agency that is presently handling it?

Mr. Conahan. I cannot make a statement on that, no, sir.

Mr. McCain. You stated in your testimony that the State Department is unable to observe the in-use of supplies for the Contras, by in-use, do you mean observing the disposition of supplies in the battle zone?

Mr. Conahan. I think that you can carry this as far as you wish to go. I think that there should be at least a selective sampling of observations concerning the supplies going from suppliers to the Contra forces and then some selective observation of the use of those supplies.

Mr. McCain. And, do you have any suggestions as to how we could observe as to how those are being used either in the sensitive diplomatic areas or in the battle zone?

Mr. Conahan. Under the current set of circumstances as described by State, no, sir, I do not.

Mr. McCain. And, do you agree with those circumstances as described by State that their constraints are valid?

Mr. Conahan. I believe the constraints are valid.

Mr. McCain. So, basically we have a situation here where Congress passed a law; it was not the State Department or the administration that sought this particular version of humanitarian assistance, it was a carefully crafted compromise as I remember it. And they are faced with a set of obstacles that basically they cannot get around given the present circumstances in Honduras, Costa Rica and the neighboring countries around Nicaragua. Would you say that statement is accurate?

Mr. Conahan. I agree with you.

Mr. McCain. Thank you very much. Thank you, Mr. Chairman.

Mr. Barnes. The gentleman from Connecticut is recognized.

COOPERATION FROM COUNTRIES IN THE REGION NEEDED

Mr. Gejdenson. Thank you, Mr. Chairman. Did you say that we were not getting cooperation from the countries in the region with respect to the question Mr. McCain asked?

Mr. Conahan. I think the short answer to that is, yes, we are not getting the kind of cooperation needed in order to put in place in country the mechanism to make the observations and verifications that are required.

Mr. Gejdenson. Why are we not getting that cooperation?

Mr. Conahan. I am afraid, sir, that you are going to have to direct that question to the Department of State. I simply do not have an answer for that.

Mr. Gejdenson. You may have answered some of these already but let me just go through them quickly. Have your auditor's come across any evidence that any of the $27 million has been used to meet expenditures incurred prior to congressional approval of the $27 million?

Mr. **Conahan**. Not prior to congressional approval, no, sir.

Mr. **Gejdenson**. Is there any evidence that diversion of funds has occurred such as through air shipments to Honduras being held up by the Honduran Government or through false billing or that UNO has paid too much for items? Are we overcharged for any of the things we get?

Mr. **Conahan**. I do not think that that question can be answered by either ourselves or by the Department of State. I think that mechanisms that we are talking about need to be in place in order to determine that.

IDEA, INC.

Mr. **Gejdenson**. In the administration's 90-day report on Nicaragua issued on February 4 of this year, there is a summary of grants. Did you look at the grants made by Nicaraguan Humanitarian Assistance Office to IDEA, Inc., Project Hope, and I think, the Foundation of Nicaragua. Did you look at those three?

Mr. **Conahan**. Yes, sir. We have seen the invoices behind those expenditures.

Mr. **Gejdenson**. OK. Do you know if Oliver North's unofficial Ambassador to Central America, Rob Owens, runs IDEA, Inc.?

Mr. **Conahan**. We know that he runs that organization. However, we are not clear on what his role is with respect to the program.

Mr. **Gejdenson**. Do you know if Rob Owens has been the recipient of any moneys paid out by Nicaraguan Humanitarian Assistance Office?

Mr. **Conahan**. It is my understanding that his salary is paid for out of these assistance funds.

Mr. **Gejdenson**. Do you know where IDEA, Inc. is incorporated?

Mr. **Conahan**. No, sir, we do not have that information.

Mr. **Gejdenson**. Can you get us that information?

Mr. **Conahan**. Yes, sir.

[The following was subsequently submitted:]

The Institute for Democracy, Education, and Assistance, Inc. [IDEA] was incorporated in Washington, DC, on January 9, 1985. IDEA has filed with the Internal Revenue Service for nonprofit status.

Mr. **Gejdenson**. Now, from your work, you cannot see whether the lack of cooperation by the governments in the region was based on philosophical objectives or that there was no benefit to them. Some people might imply that unless certain parties got a piece of the action, the program could not go forward successfully—a practice often times referred to as grease payments in the private sector. Is that what we need to make this program work? Do we have to increase the grease payments? Is that your sense of things?

Mr. **Conahan**. No, I have no sense on that, sir. I think that the Department of State needs to answer that question.

Mr. **Gejdenson**. Thank you.

Mr. **Barnes**. The gentleman from Indiana is recognized.

Mr. **Burton**. I have no questions, Mr. Chairman.

Mr. **Barnes**. The gentleman from Pennsylvania is recognized.

COOPERATION OF NEIGHBORING COUNTRIES

Mr. **KOSTMAYER**. Thank you, Mr. Chairman. Mr. Conahan, is the key problem here the State Department or is the key problem the recipient country, the cooperation of the recipient country, Honduras?

Mr. **CONAHAN**. I think that the recipient of these goods and services is the resistance movement. At least that is what is indicated in the program.

Mr. **KOSTMAYER**. But it is going through Honduras.

Mr. **CONAHAN**. Certainly these are going through a number of countries in the region.

Mr. **KOSTMAYER**. Well, is that where the problem lies in your judgment in these countries. Where is the problem here?

Mr. **CONAHAN**. Insofar as the needed mechanism to control and verify the delivery of these supplies is concerned, I believe that the Department of State's position is that they are simply unable to do that because of the position of the countries in the region. And I have no reason to believe that that is not the case.

Mr. **KOSTMAYER**. Someone who ought to be doing the auditing is not and that is not the State Department.

Mr. **CONAHAN**. I would expect that employees of the State Department would be the ones controlling and accounting for the funds if they were in a position to place themselves in country to do that.

Mr. **KOSTMAYER**. But they are being prohibited from doing that because they cannot place themselves in the recipient countries or because they can place themselves in the recipient countries but those countries are not allowing them to do it?

Mr. **CONAHAN**. I believe, subject to the Department of State's clarification, that their position is that the countries are not interested in having their agents in country for the purposes of following the provision of these assistance items.

Mr. **KOSTMAYER**. Did you ask the State Department about this, about their relationship with these countries?

Mr. **CONAHAN**. We had extensive conversations on this particular score and that was their response.

Mr. **KOSTMAYER**. Their response was that those countries were not willing to welcome State Department personnel?

Mr. **CONAHAN**. Yes, sir. I believe that that is it.

Mr. **KOSTMAYER**. Is there any reason to think that anything will change here if the President's request for $100 million is acceeded to by the Congress?

Mr. **CONAHAN**. I have no information at all on that, sir.

Mr. **KOSTMAYER**. Do you have any reason to think the situation will be improved or not be improved. Will the same methods be used or not used based on the request?

Mr. **CONAHAN**. I believe that if you want to have control beyond what you have now, you are going to have to come up with a different mechanism. I think that that is very much dependent——

Mr. **KOSTMAYER**. Do you see that new mechanism outlined in the President's request?

Mr. **CONAHAN**. No, sir, I have not seen that in the President's request.

Mr. **Kostmayer**. And you have read the President's transmission to the Congress?

Mr. **Conahan**. Yes, sir.

WITHOUT NEW MONITORING MECHANISMS, THE SAME PROBLEMS WILL PLAGUE THE PRESIDENT'S REQUEST

Mr. **Kostmayer**. Are you able, sir to make a judgment as to whether or not the very same problem would persist if the Congress exceeds to the President's request for $100 million unless the circumstances are changed?

Mr. **Conahan**. Unless circumstances are changed with respect to the disposition of those countries toward State's monitoring this program, conditions will not change.

Mr. **Kostmayer**. But we could very well end up not knowing how this money is spent, whether it is spent for the things which we want it spent or not?

Mr. **Conahan**. If the current monitoring mechanisms are continued, that is true.

Mr. **Kostmayer**. Thank you. Thank you, Mr. Chairman.

Mr. **Barnes**. The gentleman from Illinois is recognized.

Mr. **Hyde**. Thank you, Mr. Chairman. Mr. Conahan, as I understand it, it is important to do an effective job, to have the cooperation of the country adjacent to Nicaragua, to help put in place personnel and mechanisms to do this accounting job that the law demands and that that country is very nervous because it borders on Nicaragua which has the largest standing army in Central America and it is in a very delicate situation. And if it cooperates to the fullest extent that the gentlemen on your left want, why that would require Honduras to be a little more forthcoming in this struggle. And at this point, not knowing where we are going to come down ultimately and suspecting however, they are playing it very carefully.

Would that be a correct analysis?

Mr. **Conahan**. I think that I would restrict my remarks to the monitoring of the aid and not the intentions of governments in the region, sir.

Mr. **Hyde**. Well, in other words you have no comment on Honduras' delicate situation dealing with the Nicaraguans, is that correct?

Mr. **Conahan**. That is correct, sir, right.

Mr. **Hyde**. But it does not take any great insight to grasp their situation. Well, that is beyond your purview, as well.

Mr. **Conahan**. Yes, sir, it is.

Mr. **Hyde**. All right. Yes, I yield to my friend, Mr. McCain.

Mr. **McCain**. If I could possibly ask a question a little differently. Do you believe that this operation could have been carried out more efficiently if it had been a covert rather than overt operation. Do you think that we could have been able to place the proper accounting procedures and accountability procedures if it had been a covert rather than overt operation?

Mr. **Conahan**. The General Accounting Office has been patently unsuccessful over the years in gaining the necessary access to review covert operations in order to reach the kind of a conclusion that you are asking for.

Mr. **McCain**. Thank you.

Mr. **Barnes**. The gentleman from New York, Mr. Weiss, is recognized.

Mr. **Weiss**. Thank you very much, Mr. Chairman. So that if I can follow up on that very last question, what you are saying is that if it were a covert operation on the basis of your past record and history of involvement in attempting to monitor or audit such situations, you have no expectation that you would be any more successful in monitoring covert operations then you have been in monitoring or auditing overt operations, is that correct?

Mr. **Conahan**. Insofar as GAO is concerned, yes, sir. I think a point needs to be added there however that that does not run to the Department of State as well.

Mr. **Weiss**. You state in one of closing sentences of your report that you found nothing however to indicate that Nicaraguan Humanitarian Assistance Office paid for lethal items and that that applies, I assume, to both the items purchased in the United States and items purchased regionally?

Mr. **Conahan**. That is correct, sir.

NO AUDIT TRAIL AFTER THE MIAMI BANKS

Mr. **Weiss**. Now, as to items purchased regionally.

Mr. **Conahan**. No. We are not able to make that statement. What we have are copies of invoices submitted in support of payments made to the brokers in Miami and no audit trail beyond that.

Mr. **Weiss**. You have paid for a period?

Mr. **Conahan**. Yes, sir.

Mr. **Weiss**. Did you attempt to go to the recipient countries to see if you could track any of these items?

Mr. **Conahan**. Yes indeed, we did request facilitation by the State Department for our people to visit countries in the region for the purpose as stated. They took the position that it would not be in the interest of the United States to have the General Accounting Office taking a look at the program in countries. They went on to point out that they themselves do not have a presence in the country and that the U.S. Embassies are not involved and therefore that there really would not be anyone for the General Accounting Office to deal with.

They went on to point out that for us to attempt to deal with suppliers in the country might put them in jeopardy. And in the final analysis, the Department of State needs to take the lead in terms of U.S. Government employees in country. And with that sort of an attitude, we would not have been able to really do anything.

Mr. **Weiss**. So that again if I can sort of capsulize that, you made the effort to go to the recipient counties and State said, do not do it because it would not be in the interest of the United States of America for you to do it.

Mr. **Conahan**. I think that that is an accurate response on their part, yes, sir.

Mr. **Weiss**. OK. Now this is an overt humanitarian assistance program, is that correct?

Mr. **Conahan**. Yes, sir.

Mr. **Weiss**. Now, is there anything to your knowledge within the legislative authorization for that program which in fact mandates that the State Department keep the delivery of those over humanitarian supplies classified or secret?

Mr. **Conahan**. Not in the legislation, no, sir. I am not aware of any.

Mr. **Weiss**. So that whatever determination along the lines that you have described that the State Department made and offered to you is to the best of your knowledge the State Department's own conclusions and determinations not based on statute?

Mr. **Conahan**. Their determination that certain information is classified is their own conclusion, yes, sir.

Mr. **Barnes**. Mr. Reid.

Mr. **Reid**. No questions.

Mr. **Barnes**. Mr. McCain, no questions? Other members of the subcommittee here who have not asked any questions. If not, Mr. Garcia is recognized.

Mr. **Garcia**. Thank you, Mr. Chairman. On page 4 of your testimony you mentioned that items were stored in warehouses in New Orleans. How much at present in dollar value remains in the warehouses?

Mr. **Conahan**. As of February 10, I can tell you that approximately $4 million were in those warehouses. I am not in a position to say what are in those warehouses today. As I mentioned earlier, I believe there has been some recent activity but the Department of State will need to describe that recent activity.

Mr. **Garcia**. On page 6 of your testimony you mention that boots and other clothing were bought in the United States totaling approximately $1.8 million. How much of that in dollar value remains in the United States?

Mr. **Conahan**. Again, if you are looking for a number reflecting the last day or two, I really do not have that information. I think that the State Department might be able to provide it. I think that together we could provide it in a closed session.

Mr. **Garcia**. Is there any reason to believe the distribution of United States purchased goods will have a better chance of being distributed in Honduras in the near future?

Mr. **Conahan**. Only if again the countries in the region are able to cooperate with the Department of State in setting the in-country mechanisms in place.

Mr. **Garcia**. Mr. Conahan, just let me say I have listened to you respond to the questions by my colleagues on the subcommittee and I want to congratulate you. Not only that, I think we are lucky to have you as a public servant. Thank you. No further questions.

Mr. **Conahan**. Thank you, sir.

Mr. **Barnes**. Mr. DeWine.

Mr. **DeWine**. Mr. Chairman. Mr. Conahan, let me just see if I can summarize your testimony. I have read your testimony and listened to your testimony on some of the questions. My understanding of your testimony, would this be a fair summary that while you cannot trace everything directly to its audited beneficiary where it goes in-country, in your entire audit you found nothing illegal, could not find anything that was against what was written into the law by Congress. You did not find for example that there were any goods that were used for lethal purpose. Would that be a fair summary?

MECHANISMS TO TRACE TO END USE HAVE NOT BEEN ESTABLISHED

Mr. **CONAHAN**. Except sir the point about complying with everything written into the law by Congress. Written into the law was a provision that the Department establish a mechanism to trace this humanitarian assistance to the end user. That has not been accomplished. So, with the exception of that particular matter which does go to the law, I think your summary is accurate.

Mr. **DEWINE**. Thank you. I would yield to my colleague from Arizona.

Mr. **MCCAIN**. But you also state, Mr. Conahan that the State Department has done about as much as it can under the existing circumstances, that was your previous quote?

Mr. **CONAHAN**. Yes, sir. I made that statement.

Mr. **MCCAIN**. Again, I would and I do not mean to be a little bit obstinate here but if your statement is that it is because of the diplomatic sensitivities that they have been unable to achieve or be in compliance with the law, I would ask you again, would it be easier to track these supplies were the program not so public. In other words, would the diplomatic sensitivities be quite as raw as they are now if the program was not a public program. Surely, you can voice an opinion on that.

Mr. **CONAHAN**. For the reason I stated earlier, sir, I am not really sure that I can. I think that one needs to have a body of observation and experience with respect to the kind of programs you are talking about, namely covert programs. And, we as an organization do not have that kind of experience.

Mr. **MCCAIN**. You were able though to draw the conclusion that it is because of diplomatic sensitivities that the program, that they have not been able to comply in-country, is that correct?

Mr. **CONAHAN**. Yes, because that did not permit them to put people in-country in order to carry these duties out.

Mr. **MCCAIN**. Indeed, and what would draw us to the conclusion that these diplomatic sensitivities were so high that the program is visible? You cannot follow that line of logic?

Mr. **CONAHAN**. Oh, I can follow the line of logic.

Mr. **MCCAIN**. You do not agree with it?

Mr. **CONAHAN**. No, I do not want to make the other step and say that the people who manage covert programs are able to put in place the kind of mechanisms that would comply with the provision of law. I simply do not have that kind of experience to say that.

Mr. **MCCAIN**. Thank you. But, do you have the experience to say from the diplomatic sensitivities that if the program were not so public, therefore the diplomatic sensitivities would be less?

Mr. **CONAHAN**. Oh, I think I could agree with that.

Mr. **MCCAIN**. Good. Thank you, Mr. Chairman.

Mr. **DEWINE**. Thank you, Mr. Chairman.

Mr. **Barnes**. Gentleman from Nebraska.

Mr. **MacKay**. No questions.

Mr. **Barnes**. Gentleman from California.

THE CONTADORA PROCESS

Mr. **Dornan**. Thank you, Mr. Chairman, for the courtesy particularly since I am not on this particular subcommittee. I just came in late and I wondered if you had discussed at all the Contadora process, the nations involved and this very frustrating factor that probably has always existed in diplomacy and always will that diplomats will tell people one thing privately and another thing publicly. Given the OAS vote a few months ago where it was unanimous, with the exception of the Managua Sandinista government vote, that maybe the Contadora process needs a hard look at a closed session of the entire House of Representatives. We can all share stories of what we are told privately all the way up to the level of Foreign Minister in the Contadora nations and then as they say quite frankly with some genuineness, you must as Americans understand that as you have domestic political problems and we have domestic political problems. So, please do what is right, here is our advice, do not pay any attention to that man behind the curtain who is speaking publicly in his nation, this is what we really believe. Has anybody discussed that?

Mr. **Conahan**. The State Department is coming up right after us. That might be the appropriate time to discuss that.

Mr. **Dornan**. I hope they listen to the questions so I can refer to it as Dornan question A and not have to repeat it. Nobody on the panel has any comment on that though and you have never experienced that yourselves.

Mr. **Conahan**. We have not looked into that at all, sir.

Mr. **Dornan**. All right, thank you very much.

Mr. **Barnes**. Mr. Conahan, the Public Law 99-83 reads and I quote, just so we are all sure what we have been talking about here for the last hour.

> The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan Democratic Resistance is used only for the intended purpose and is not diverted through barter, exchange, or any other means where acquisition of weapons, weapon systems, ammunition or other equipment, vehicles or material which can be used to inflict serious bodily harm or death.

Your testimony is that the President has not established such an appropriate procedure, am I correct?

Mr. **Conahan**. Yes, sir.

Mr. **Barnes**. Thank you very much. And we want to thank you and your colleagues for all of your efforts and for appearing here today. We recognize you have undertaken a difficult assignment under circumstances that made it impossible for you to complete your assignment. We understand that and we are very grateful for your help. Thank you very much.

Mr. **Conahan**. Thank you, Mr. Chairman.

Mr. **Barnes**. We just went into session that is conceivable. We will have an initial quick vote and I was just waiting to see if we will before we ask you to begin.

Secretary **Abrams**. If you promise to vote right, we will not regret the delay.

Mr. **Barnes**. We all always vote right. Well, Mr. Secretary, they are praying over in the House right now. We can probably all use that assuming the prayer is just about completed, it sounds as though we may not have a vote here at the beginning of the session. So we are happy to welcome back to the subcommittee the Honorable Elliott Abrams, Assistant Secretary of State for Inter-American Affairs.

Mr. Secretary, we are pleased to have you here and we look forward to receiving your testimony to the subcommittee this afternoon.

Secretary **Abrams**. Thank you. I wonder if we could start with Ambassador Duemling. There is some more recent information than that which is in the GAO report. They have to come up with some date of conclusion, a sort of cut off date for reporting which I think they said was February 10 or around then, so it has been about a month. And, there are some details we can add before I get into my own statement.

Mr. **Barnes**. Thank you. Mr. Ambassador, welcome back to the subcommittee. I am sure all my colleagues remember our meetings with you. We appreciate your being here.

STATEMENT OF HON. ROBERT DUEMLING, DIRECTOR NICARAGUAN HUMANITARIAN ASSISTANCE OFFICE [NHAO], DEPARTMENT OF STATE

Ambassador **Duemling**. Thank you, Mr. Chairman. Let me just offer two or three observations that I hope will contribute to your information and your understanding of where we are now with this program.

Mr. Chairman, you referred in the earlier testimony to the statement provided by the General Accounting Office and you asked whether or not NHAO had been asked or given an opportunity to review that statement. I would like to clarify the response to that question. I was shown that statement yesterday morning and I was asked only to address issues of classification as to whether I found anything in that that should not be discussed in an open hearing. That was the only aspect of that statement that I was asked to address. I want to make sure we are clear on that.

On the matter of where we are at the moment, I think the GAO was quite clear as to the data that they were providing to you and the date on which that data was valid. Let me just try to bring you up to date a little bit further.

You may recall that we had $18 million available to this program until about 1 week ago when the third and final tranche of $9 million was provided. In late February, of that $18 million, we had obligated $17.8 million, we had committed $16.8 million and at the present time about $11 million in assistance has actually been delivered into the hands of the democratic resistance in the region. At the present time, what remains in warehouses in the United States is probably valued at less than $1 million. This is a significant change from the data available to the GAO when they were last able to assess the situation.

So I just wanted to give you that update. Those are the only points, Mr. Chairman, that I wanted to make. There are others that I am sure will come forward in the course of our testimony.

Mr. **Barnes**. Thank you, Mr. Ambassador. Mr. Secretary.

STATEMENT OF HON. ELLIOTT ABRAMS, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS

NOT A FULLY OVERT PROGRAM

Secretary **Abrams**. Let me make a general comment if I could. I think we all recognize the difficulties with this program. It certainly was not a program that we designed. It is not a fully overt program and it cannot be a fully overt program for two reasons. First of all, diplomatic sensitivities on the part of countries in the region who do not wish their participation, or for that matter their refusal to participate, to be disclosed publicly. And then there are security problems. That is, if we were to make public exactly where what precise number of things are being delivered, that would help the Sandinistas, that would be useful military information for them.

So for both reasons, you might say, military and diplomatic, it cannot be a fully overt program. That raises the audit question and it is a serious question. That is absolutely correct. How do we deal with that question. Well, one way we deal with that question is by getting information from the intelligence community as to the nature of things that arrive in the theater, if I can put it that way. That is, we do get reports that say so many boots or so many uniforms or so much in the way of medicine arrived at a certain place on a certain day.

Now if we know that we have paid for that stuff and that it has been invoiced and there it is, it arrived and was distributed, then that really does complete the paper trail. It shows us that in the real world, what we saw on paper is in fact happening. We do not do that for every single delivery, for every single item. That would I think be done if this were a fully covert program and were being handled in the way fully covert programs are. The GAO of course does not audit such programs. That is done and our reporting is done on covert programs to the Intelligence Committees. And we have talked to the Intelligence Committee about this particular program and are happy to share and do share all of our information about it with them. But this is a hybrid program and that is the trouble and we saw this before it started and that is one of the reasons we did not like this set up. But that is the one you gave to us and I am grateful to the GAO for stating what I think to be the case, that Ambassador Duemling and his staff have done absolutely everything possible to make this program work. And it is working pretty well. Thank you.

Mr. **Barnes**. Thank you, Mr. Secretary. You heard my last question to Mr. Conahan of the GAO which he agreed that the administration is not operating this program consistent with public law under which the program is authorized. Do you agree with his statement that the administration is operating this program in violation of the law?

Secretary **Abrams**. No, he is completely incorrect. This program needs to be operated with procedures that are appropriate to the realities of Central America and of our ability to supply into that area. And these mechanisms that we have are entirely appropriate.

Mr. **Barnes**. Well, we have a rather divergent view between the General Accounting Office and the State Department on whether or not this law is being operated pursuant to the law. The President's request to the Congress for the $100 million says:

> Approval of this request will permit me to use any department or agency in the Executive Branch including agencies involved in intelligence activities in carrying out programs and activities to assist the Nicaraguan resistance.

What agency will in fact be used to operate the program if the Congress approves the $100 million?

Secretary **Abrams**. The President's proposal allows him to use essentially DOD or CIA, but precisely how the program would be run in detail and what programs would do what, which agencies would do what is not for an open hearing.

Mr. **Barnes**. But you would tell the subcommittee, you would answer that question in a close session with the subcommittee. If we went into executive session now, you would tell us which agency is intended to operate the program?

Secretary **Abrams**. Sure.

Mr. **Barnes**. We may want to do that.

Secretary **Abrams**. Both agencies, I think, would have a role but to get into more detail than that, I think, is a mistake in an open hearing.

Mr. **Barnes**. Both agencies would have a role, so CIA will have a role, is your testimony.

Secretary **Abrams**. Oh sure.

CIA CONTINGENCY FUND

Mr. **Barnes**. The President's request also says that the approval by the Congress of his request will "satisfy the requirements, terms and conditions of Section 105A of the Intelligence Authorization Act for fiscal year 1986." Does this mean that CIA contingency funds would be available if we pass this resolution?

Secretary **Abrams**. No, I think what that means—I should not say no so quickly because I do not remember the exact provision—the purpose of those provisions of the President's proposal is in a sense to untie his hands so that any limitations on his use of CIA or DOD would be lifted.

Mr. **Barnes**. So, just so I understand you correctly, currently, my understanding is that there is a strict limitation of $27 million that can be expended for U.S. assistance to these groups. If the Congress approves the President's request, it will be approving $100 million but there will be no strict limitation that only $100 million may be expended. The President would have access to other funds as he did prior to the restrictions being placed on the $27 million. He could use CIA contingency funds, he could use other DOD funds?

Secretary **Abrams**. I think that is not correct. Again, I am not speaking here as the legal advisor to the State Department. But, it is not the intention, nor has it ever been the intention, to use any other moneys except the $100 million except as may be provided for by Congress or any committee of Congress.

Mr. **Barnes**. I am not asking about your current intention. I am asking, I guess I am asking for a legal judgment and you are telling me you cannot give that.

Secretary **Abrams**. I cannot give you a legal judgment.

Mr. **Barnes**. Our staff's legal judgment is that the President's request would eliminate the current restriction that only the $27 million can be used and there would be no restriction that only the $100 million could be used. Perhaps one of your, you have got a whole line of experts behind you there, perhaps one of them can answer the question.

Secretary **Abrams**. I did not bring any experts with me, Mr. Chairman. I came here alone and I did not bring a lawyer with me from the Department's office and I cannot answer it off the top of my head.

Mr. **Barnes**. Perhaps we could get that answer from the State Department fairly quickly because obviously that is a very relevant issue. If in fact approval of the President's request will free up not only $100 million but access to the entire CIA contingency fund and I do not know how much is in there, I am not a member of the Intelligence Committee. But I assume it is a very substantial amount of money and access to other DOD funds that the President might determine to use. And we are talking of potentially $300 million. This is a serious question whether we are just talking $100 million or access to potentially substantial amounts of other funds.

Secretary **Abrams**. We have never, in any discussion I have had within the administration, contemplated going beyond that amount. But as to the question of what the legal status is, we will have to get a legal opinion.

Mr. **Barnes**. Today, the President of the United States said in response to a question at a press conference that it is his view that those who oppose this aid program are supporting the Sandinistas, at least that was the import of the President's statement. Is it your view that the Presidents of Colombia, Venezuela, Mexico, Panama, Brazil, Argentina, Uruguay, Peru are all supporters of the Sandinistas?

Secretary **Abrams**. Two things. First, having talked to some of those gentlemen, I can tell you that there is a unanimous dislike, verging on hatred, of the Sandinistas now among Latin American leaders because they are viewed as a Communist government which is a menace to the security of all those countries.

Mr. **Barnes**. So the President is incorrect then when he states that those who oppose aid to the Contras are supporters of the Sandinistas?

Secretary **Abrams**. You did not give me a direct quote from the President, but I would certainly say that if this program does not get through and there is no military support then, in fact, the effect of it is to consolidate Sandinista control of Nicaragua with all that follows.

Mr. **Barnes**. Let me read you what the President has said, is said to have said. Jack Germond apparently asked the President this morning, "Do you think that the people who are opposing you on

Contra aid are supporting the Sandinista government?" President responded, "It's hard not to." Then he was asked by Susan Page of Newsday, "Are the people who are opposing you on contra aid being used perhaps unwittingly by the Sandinista government?" "Yes, we know they've launched a disinformation campaign." "Is it your view that the Presidents of Argentina, Brazil, Uruguay, Peru, Colombia, Venezuela, Mexico, and Panama are all victims of a Sandinista disinformation campaign and are supporters of the Sandinista regime?"

Secretary **Abrams**. It is my view that those who are opposing this program and who may lead, if they win, to the defeat of this program are inevitably helping the Sandinista to consolidate their control over Nicaragua, sure. It is inevitable that if there is no help for the resistance, the Sandinista control is consolidated.

LATIN LEADERS OPPOSE CONTRA AID REQUEST

Mr. **Barnes**. Why is it that the democratic leaders of this hemisphere are opposed to this administration's policy then if this will only help the Sandinistas who, as you say, they do not like one bit. Why is it that they are opposed to this program and went to the trouble of sending their Foreign Ministers to Washington to plead with your boss, the Secretary of State, to call upon the President not to make this request of the Congress?

Secretary **Abrams**. I know this will shock you, but some of them are politicians say one thing publicly and one thing privately. Now, the fact is that a number of Latin American leaders have said to us, "If you would do a covert program, we would try to help out. But when you do this overtly and ask for a public declaration of support, that we cannot do because we come from democracies and the amount of agitation there would be at home makes it too high a price to pay for public support." But they are in no doubt and they agree completely with us, and I think with most of you as to the nature of that regime and the fact that something needs to be done about it.

HISTORY OF INTERVENTION

Mr. **Barnes**. Maybe one of the things that is in their mind is perhaps they have a bit of a historical perspective here. One of the problems that we have in dealing with this kind of intervention in our own hemisphere is that we have done it a lot. We have intervened in other countries in the hemisphere a great deal. And perhaps they are of the view that if there is to be an intervention of this type, it should be a Latin intervention and not one financed out of Washington, DC, but rather something that is carried on and promoted by Latins themselves.

Secretary **Abrams**. Well, they did that, you know. That is in a sense what helped overthrow Somoza, the intervention of Venezuela, Costa Rica, and Panama. The difference here is, and it is one that Latins have raised with us, with me personally, if this were a Latin problem the way Somoza was a Latin problem, then maybe Latins could handle it. But when you get the Soviet Union involved, it is a little bit bigger than the Latins and they cannot handle the Soviet Union. That is a different kind of intervention from outside of Latin America and something needs to be done about it.

It is a different level of problem.

Mr. **Barnes**. And they are coming to Washington publicly urging us not to do what you are here testifying we should do. And you say that they went to all the trouble to send their Foreign Ministers up here in a very public and very unusual action of sending eight Foreign Minister's to Washington to urge the Reagan administration not to do this. And you are saying that that is totally counter to their private views. They are really cheering us on?

Secretary **Abrams**. No, that is not what I said. I think it is true of some of them. I know it is true of some of them that there is a variety of views in those governments. They all want the Sandinista regime to be stopped from consolidating communist control. That is eight out of eight as far as I have been able to detect. With some of them, I think they would be able to support a covert program but you would never know it, unfortunately, unless you were on the Intelligence Committee and could have access to the information. In other cases they would not.

In those cases, we have a disagreement. They actually think that, without any kind of military pressure on the Sandinistas, the Sandinistas will negotiate away things that are dear to their heart like the monopoly of power. And I think that is crazy. There is no precedent for believing that. There is no reason to believe it.

Mr. **Barnes**. But apparently some of their neighbors have rather different perspective on that including the Costa Ricans who probably have more to lose in this than anybody. But I have taken more time then is allotted here. I recognize the gentleman from California and I will extend the ranking minority member's time by the amount of time that my time was extended.

Mr. **Lagomarsino**. Thank you, Mr. Chairman. Ambassador Duemling, the suggestion was made earlier, I think you were here, that perhaps the administration gave the GAO report to the Washington Post. I understand you saw it yesterday. Did you give it to the Washington Post?

Ambassador **Duemling**. Sir, I did see it. I was not permitted to retain a copy. I can assure you that I did not give it to the Washington Post.

Mr. **Lagomarsino**. I did not think you did. You know, Mr. Secretary, referring to American interventionism, I guess like so many things it depends what side of the coin you are looking at. There have been two examples of American "interventionism" in the last several weeks, one in the Philippines and one in Haiti, I do not see any of our friends down there comdemning us for that or any of our friends in Asia condemning us either. And I think most of them would acknowledge that it had a lot to do with the results that have come about.

What evidence is there that the Sandinista regime in Nicaragua is interested in negotiating a solution in Central America?

Secretary **Abrams**. Well, right now there is not any evidence. I mean the evidence points the other way. I think it was Mr. Dornan who mentioned that, at the OAS general assembly in December, there was just one country that voted against a resolution asking for progress in Contadora. Everybody voted yes except the Sandinistas. It was the Sandinistas who formally asked that the Contadora talks be stopped from last fall until May of this year. So, there is not any evidence and I think that is actually quite logical, too. Why should they give up things that they want unless they are pressured into doing so.

UNITED STATES-NICARAGUAN BILATERAL NEGOTIATIONS

Mr. **Lagomarsino**. Why are they so anxious to conduct bilateral negotiations with us?

Secretary **Abrams**. Well, I think they are. They have always wanted to. They are trying not to have to deal with their Central American neighbors and they are trying not to have to deal with the pressures that they are now getting from Latin America to stop the repression and the subversion. And one way out of regionalism and a regional settlement is to try to deal only with the United States. And they believe, and I think it is probably correct, that if the United States were to abandon the resistance forces, it would be such a psychological and morale blow that it would really help the Sandinistas wipe them out.

Mr. **Lagomarsino**. I do agree with what you just said. As a matter of fact, about a year ago, Congressman Mike DeWine and I were in Nicaragua. We spoke to the Vice President and to the acting Foreign Minister and the acting Foreign Minister told us that while they denied that they were furnishing assistance to the guerrillas in El Salvador that they would stop if we did. How do Central American leaders in Honduras, El Salvador, Costa Rica, and Guatemala, feel about United States-Nicaraguan bilateral negotiations?

Secretary **Abrams**. We had very clear indications from those governments that they are not in favor of those negotiations and one of the reasons for it is very clear. They do not want their fate decided in secret talks between us and Managua. I just want to go back for a second on this negotiating track. It is in today's papers that President Duarte made an offer yesterday that if the Sandinistas would sit down with their armed opposition, he would sit down with his.

Secretary Shultz had previously in that meeting of the eight Foreign Ministers, changed the U.S. position to say that, if the Sandinistas would sit down with their armed resistance forces, we would sit down with them. We would go back to Manzanillo. So, if the Sandinistas will accept this negotiating offer, and just sit down with the resistance forces, there will be a triple track negotiation because we had already said we would sit down with them, return to Manzanillo. Now Duarte has said that he will sit down with the FMLN. This is all in addition to Contadora. You could really get something going here if you want to move along the diplomatic route; you really have an opportunity here if the Sandinistas will only come to the table.

Mr. **Lagomarsino**. Now, I understand Nicaraguan Cardinal Obando y Bravo has made it very plain that he favors the internal negotiations between the Sandinistas and the armed opposition. Is that still his position?

Secretary **Abrams**. Yes. The church does favor that and obviously favors a peaceful solution to all of this, and the way to get it started is to get the Sandinistas to the table.

Mr. **Lagomarsino**. You know it seems like we repeat a lot of things around here but sometimes it is necessary to get public attention, media attention. The last time you testified before this committee, there was mention about 2,500 armed Cubans or Cubans in the military forces in Nicaragua and it got a great deal of media attention even though that was nothing new, at least that had been claimed for some time.

What is the present situation. Can you upgrade us on what has happened with regard to the presence of Cubans, Libyans and so on in Nicaragua since your last appearance here?

Secretary **Abrams**. It is about the same. That is, the number is roughly 3,000 Cuban military, that is in addition to teachers or some other kind of people they may have there. And that is the largest Communist block military presence. The change over the past year has been that they tend to be more in an active combat role now than they had previously been, including piloting aircraft.

Mr. **Lagomarsino**. Thank you.

Mr. **Barnes**. The Chair recognizes the gentleman from Massachusetts.

Mr. **Studds**. Thank you, Mr. Chairman. Secretary, I am not going to mention the piece in the Post this morning by the White House Communications Director. I assume that is consistent with the Secretary of State's perpetual pleas to this committee for a calm and rationed and bipartisan approach to foreign policy. Unless you want to comment on that, I will just leave that be.

Let me say, as I understand it, the chairman asked you a variation of questions. Many of us have asked you about the position of the democracies in this hemisphere with respect to our policy in Nicaragua. If I understand your response to him, it was that Presidents and democracies face a difficult political situation and have to say one thing publicly and really believe another thing privately.

Are we to infer from that that Ronald Reagan secretly opposes aid to the Contras but the pressure of politics precludes him from actually saying that? I mean that logically flows from what you have been telling us. The question I had to ask you which I assume would not take you long to answer was, please list the Latin American heads of State who have expressed public support for providing military aid to the contras. If I understand your response, it is that we have to understand the difficulties they face because they represent democracies is that correct?

Secretary **Abrams**. We have to understand the difficulties they face because there are, in some of those countries, very large leftist movements in some cases funded by Cuba. There will be people out in the streets and there will be marches and demonstrations and all sorts of things will go on and it is a price to pay. Just to give you one example of the price, the Foreign Minister of Argentina about roughly 3 weeks ago made a statement, I think in Caracas if I remember right, in which he simply denounced Sandinista oppression in terms that I think any member of this committee would use, probably had used. And it provoked a tremendous, tremendous outpouring of criticism in Buenos Aires. He did not say anything that I think any member of this committee would not be happy to say about oppression in Nicaragua and there was a huge reaction.

There is a price to pay and I just draw a distinction between what people say publicly and privately. And I know of no politician who is an exception to that rule.

Mr. **Studds.** I understand exactly what you said. I think it is important for everyone else to understand what you said. I think implicit in it among other things is the axiom I would hope that in a democracy, one cannot indefinitely conduct a foreign policy that does not have the support of the people of that country is a lesson which we apparently are doomed to learn and relearn and learn again.

MAKEUP OF THE FDN

Let me ask you to react if I may to a quote in a recent article, that I suspect you may have read, in the New York Review of Books. Mr. Robert Leiken, who has been a strong critic as you know of the Sandinista government, characterized the FDN as follows and I quote,

> It's a movement with a peasant base, some populist middle echelon officers and a mostly reactionary leadership imposed and maintained by the United States.

Would you say that is an accurate assessment and if not, in what way is it inaccurate?

Secretary **Abrams.** Oh, I would say it is inaccurate. I do not think I have with me today but I would like to submit for the record if I could a more detailed account of this question that I submitted to the Senate Foreign Relations Committee at the request of Senator Lugar a couple of days ago.

[The following was subsequently submitted:]

United States Department of Stat

Assistant Secretary of State
for Inter-American Affairs

Washington, D.C. 20520

February 24, 1986

Dear Mr. Chairman:

You asked about the allegation that the Nicaraguan resistance consists of, or is led by, supporters of the late dictator Anastasio Somoza. We have reviewed the facts carefully and conclude that this charge is incorrect and misleading.

The leaders of the main resistance organization, the United Nicaraguan Opposition (UNO), are Adolfo Calero, Arturo Cruz, and Alfonso Robelo. All three actively opposed Somoza while he was still in power. Calero was jailed by Somoza; first Robelo then Cruz became Junta members with the Sandinistas.

The largest guerrilla forces belong to the Nicaraguan Democratic Force (FDN), headed by Calero since 1983. Other important resistance organizations include ARDE, built by Robelo and former Sandinista Comandante Eden Pastora, and MISURASATA and KISAN guerrillas active among the Indians of the Atlantic Coast.

We expect the UNO coalition to continue to broaden, both inside and outside of Nicaragua, but UNO is already far more representative of the wishes of the Nicaraguan people than Somoza ever was or than the Sandinistas are today.

Resistance fighters are overwhelmingly rural youths. Most are between 18 and 22 years old; when Somoza fell in 1979, they were in their early teens. They fight today in response to Sandinista attempts to control their farming, their churches, and in some cases their indigenous cultures. Many joined the resistance in preference to being drafted to fight for the Sandinistas against their friends and neighbors. In defending their families and communities, these young Nicaraguans are fighting for self-determination above all else. Their struggle is not on behalf of the old dictatorship -- it is against the new dictatorship armed by Cuba and the Soviet Union.

The Honorable
Richard G. Lugar
The United States Senate.

The commanders are older than their troops (most are 25-35), are more likely to come from urban areas, and have more diverse occupations and backgrounds. They include both former National Guardsmen and former Sandinista fighters, but most are civilians from the very groups the Sandinistas claim to represent: peasants, small farmers, urban professionals, and students. One was a primary school teacher; another, an evangelical pastor. Even in the FDN, which has the largest number of former military professionals, less than half the commanders have prior military experience, either in the National Guard under Somoza or in the army, militia, or security services under the Sandinistas.

We have obtained information on the backgrounds of all senior FDN military leaders, including the incumbents of every position from the civil-military command down to task force deputy commander or executive officer. The results, based on a November 1985 survey, are summarized in Table I, below. Allowing for casualties, transfers, and other personnel changes, we believe that this general pattern holds today.

Table I

PRIOR OCCUPATIONS OF SENIOR FDN MILITARY LEADERS

Civilian			78
Professionals or urban employees		39	
Peasants or small farmers		34	
Students		5	
Military			71
National Guard		41	
Officers	23		
Soldiers	18		
Sandinista army, militia, or security services		30	
Officers	8		
Soldiers	22		
No information available			4
Total			153

***

While accepting that most FDN fighters are peasants, a report prepared last year for the Arms Control and Foreign Policy Caucus (Who are the Contras?, April 18, 1985) claimed that the FDN "army is organized and commanded by former National Guardsmen." This allegation, though false, has become almost an article of faith for many who oppose U.S. support for the Nicaraguan resistance.

The Caucus staff claimed that "46 of the 48 positions in the FDN's command structure are held by former Guardsmen." "[A]ll but one of the 12 top central staff" and "five out of six regional commanders, and all 30 task force commanders" were said to be Guardsmen.

The Caucus staff is correct in identifying the FDN's military commander, Enrique Bermudez, as a former Guard officer. It is also correct in describing the FDN's regional and task force commanders as "the key military field leaders." But the report's overall figures and conclusions are incorrect.

The FDN has 14 regional commands (each has roughly 800 combatants organized into 2 to 4 task forces). At the time of the survey, the FDN had 52 task forces or equivalent commands (task forces have from 60 to 700 members). Tables II and III show the backgrounds of the regional and task force commanders. They are based on the same data as Table I.

Table II

PRIOR OCCUPATIONS OF FDN REGIONAL COMMANDERS

Sandinista Soldiers	6
National Guard Soldiers	2
Peasants or Small Farmers	2
National Guard Officer	1
Civilian Medical Doctor	1
Evangelical Pastor	1
Student	1
Total	14

Rather than 5 of 6 regional commanders being former Guard members as asserted in the Caucus report, we find 3 of 14.

Table III

PRIOR OCCUPATIONS OF COMMANDERS OF FDN TASK FORCES OR EQUIVALENT COMMANDS

Peasants or Small Farmers		19
National Guard		14
Officers	5	
Soldiers	9	
Sandinista Army or Militia		13
Officers	4	
Soldiers	9	
Medical Student		1
No Information		4
Vacant		1
Total		52

Whereas the Caucus report claimed that 30 out of 30 task force commanders were former Guardsmen, we find that 14 out of 47 did have prior Guard service, but that 33, more than twice as many, never served in the Guard in any capacity.

FDN headquarters links the strong-willed and independent field commanders who control the troops with the UNO political leadership. The Caucus claim of 11 former Guardsmen in 12 top positions omitted several positions held by persons who were not former Guardsmen. A complete count must include all members of the strategic and civil-military commands, all operational commanders, and all chiefs of support services. Of the 21 individuals in these positions late last year, 12 (including Bermudez) once served in the Guard. A former Sandinista Army officer and eight civilians from professional or technical backgrounds held the other key positions.

As noted above, it is true that the FDN's military commander was in the National Guard. But it is wrong to call Enrique Bermudez a backer of Somoza. Somoza had him posted out of Nicaragua during the last three years of his regime. Not even the Sandinistas accused Bermudez of human rights abuses under Somoza. In 1979, Somoza rejected a Carter Administration suggestion that Bermudez, then a colonel, might assume command of the National Guard after Somoza's departure.

The presence in the resistance of men like Bermudez seems unobjectionable unless one is seeking to deny to the resistance the services of all former Guardsmen simply because they once served in the Guard. That is a standard not followed by the Sandinistas themselves, who have used former Guardsmen together with Cuban, Soviet and other foreign advisors and technicians to consolidate their power on the basis of a pervasive military security apparatus.

***

The Sandinista armed forces are the largest and best equipped in the history of Central America. They are at least six times larger than the armed forces of any of the Somozas at their height.

Although the Sandinistas frequently portray themselves as nationalists, their soldiers are trained and supported in combat by thousands of Cubans and other foreigners known as "internationalists." When Daniel Ortega spoke in Havana on February 5 to the Congress of the Cuban Communist Party about "the blood of Cuban internationalists fallen on Nicaraguan ground," he was talking about Cubans killed fighting Nicaraguans inside Nicaragua.

Resistance to the Sandinistas and to their Cuban and other foreign allies is eroding past differences and gradually forging a new national coalition similar to the one that rose up against Somoza. In the early days, who fought with whom typically depended on relationships that went back to the Somoza era. When Pastora, for example, first took up arms against his former comrades, he refused to have anything to do with former Guardsmen or with anyone else who had not been actively Sandinista at least for a time. The increased coordination within UNO between ARDE commanders associated with Pastora and FDN commanders also operating on the southern front is therefore a significant change.

More must be done to improve the human rights performance of the armed resistance (UNO has begun a program one of whose objectives is to assign at least one fully trained person in human rights to every task force). More must be done politically to develop, articulate, and coordinate the programs of the armed resistance with those of the civil opposition.

Sandinista abuses have aroused entire sectors of the population. Some FDN units are made up of men from the same cluster of villages or the same department. Other units reflect a new Nicaraguan nationalism: Four of the fourteen regional commands have among their commanders both former Guard and former Sandinista military personnel. In three of the four, former Sandinista military personnel outrank (and hence give orders to) former Guardsmen.

To continue to associate Nicaragua's resistance forces with Somoza is patently misleading. Somoza is dead. The Central American dictatorships associated with Somoza have all given way to elected governments committed to democracy. Today, the only Central American President who wears a military uniform is the Sandinista president of Nicaragua.

We join with the Nicaraguan democratic resistance forces and the people of Nicaragua in our commitment to a democratic outcome for that country. The people of Nicaragua and the resistance forces are struggling for a future of freedom and peace, and they deserve our support.

Sincerely,

Elliott Abrams

Secretary **Abrams**. The FDN as one aspect of the opposition began with a very high percentage of people who had formerly been in the National Guard. What has happened over the past 6 years is that the people of Nicaragua have turned against the Sandinistas and more and more of them from all walks of life have joined the resistance from Cruz and Robelo on down to foot soldiers who were peasants.

Mr. **Studds**. Mr. Cruz and Mr. Robelo are not in the FDN are they?

Secretary **Abrams**. No, they are in UNO.

Mr. **Studds**. No, my question was about the armed opposition.

Secretary **Abrams**. UNO is the same. As a matter of fact if I remember the figure correctly, roughly 40 percent of the people in the FDN are former Sandinistas. If you look at every level, that is regional commanders, task force commanders; a task force commander is the guy who actually leads the troops into Nicaragua. There is roughly an even number of former Sandinistas and former guardsmen although there are more former guardsmen. I think it is a couple of percentage points higher. And then the rest are a very large mixture of people from all walks of life.

Mr. **Studds**. Are you suggesting the FDN is essentially a democratic operation?

Secretary **Abrams**. I am suggesting that it is a representative organization, has people from all walks of life in Nicaragua including a lot of ex-Sandinistas.

Mr. **Studds**. I see.

Secretary **Abrams**. Overall the most representative form of Nicaraguan is somebody who once had hope in the Sandinistas and has now lost it.

Mr. **Studds**. I do not want to get into a debate about what percentage of their commanders are former Sandinistas, I mean that is interesting, but who elected Mr. Calero head of the FDN?

Secretary **Abrams**. I do not remember actually how the choice was made. But I think as you know in exile movements it is extremely difficult to have everybody vote. I know of none in which that has happened.

Mr. **Studds**. I understand. It reminds me of the Vice President's observation about the adherence to democratic principles of Mr. Marcos.

Secretary **Abrams**. Well, I would say the same thing about the Afghan rebels. I know of no rebel group popular or unpopular at home or abroad in which it is possible to conduct the kind of democratic elections that you can inside a country when it has a democratic government.

REQUEST TO DELAY THE VOTE

Mr. **Studds**. Let me ask you this if I may. 31 members of this House, roughly a proportionate number of Senators and eight Latin American Foreign Ministers urged the President to delay submitting this military aid request as you know. The goal was to permit the newly elected governments in Central America in particular an opportunity to work their own way in their own region without the ongoing distraction of this debate which at this very minute is going on in four committees of the House and God knows how many in the Senate and will be headlines for some time.

Why did the administration refuse that request?

Secretary **Abrams**. There are two reasons. One of them that the appropriated funds for the Nicaraguan Humanitarian Assistance Office run out formally on March 31 but there is a more important reason than that and that is that beyond all of our debates that are in Washington, there is a reality out there——

Mr. **Studds**. I have to keep reminding myself of that. I think you are right.

Secretary **Abrams**. Yes, I think we all do. And there is a guerrilla war going on by the people of Nicaragua against their government. We could just sit, sure, 6 months delay, 9 months delay, let's give them all the time in the world to try to negotiate something. But the fact is that every additional day gives the Sandinistas with their Cubans and their helicopter gunships and their tanks and their armored cars another chance to crush this resistance.

Mr. **Studds**. We were a good deal more patient with the Somoza regime, were we not?

Secretary **Abrams**. President Carter was President at that time.

Mr. **Studds**. I believe that goes over a great many decades. Thank you, Mr. Chairman.

Mr. **Barnes**. The gentleman from Ohio, Mr. DeWine, is recognized.

Mr. **DeWine**. Mr. Abrams, what effect are the gunships having on the war?

Secretary **Abrams**. It is a pretty profound effect actually. For one thing, it is extremely difficult to assemble a significant body of troops within Nicaragua because that is such a juicy target for those gunships. There is really no way to fight those gunships now. We have not given any military support. So that is one effect. The second effect is the morale or psychological effect of people who are essentially defenseless against that kind of advanced weaponry. The third effect is, of course, increased mobility for the Sandinistas in terms of the fire power they have.

So I mean it has not turned the war around but it has had a very large impact.

Mr. DeWine. How do you respond to people who say that there cannot be a military solution to the war, that there is no good scenario that you can put together or this country could put together whereby the democratic resistance forces will actually overthrow the Communists in Nicaragua. What is going to happen if this Congress and if we believe the press reports to be correct, if this Congress turns down this request by the administration, and votes no money?

Secretary Abrams. Yes. First let me say that the purpose of the President's proposal is essentially, you can put it this way, I would, to deny the Sandinistas a military victory. People say there is no military solution. There is for the Sandinistas, just crush the opposition. We are trying to avoid that, we are trying to prevent that. Of course, with unlimited amounts of Soviet and Cuban help and no American military assistance there will be a military solution all right—it will be a Sandinista military solution. Is a military victory possible for the resistance? My answer to that is, sure it is, sure it is.

You have a country which has turned against the Sandinistas, in which a vast majority of the people hate them for all the reasons that we are all aware of and becoming increasingly aware of. Mr. Leiken testified yesterday in the Senate Foreign Relation's Committee with revelations that were actually news to me about clandestine prisons and the prevalence of torture and so forth.

Now what happens if we can expand the aid that we give to the resistance forces and they are able to spread out more within the country and increase their numbers. What are the Sandinistas going to do. Are they going to draft 100,000 more people. They cannot. First of all, they are going to run out of people and, secondly, people do not want to be drafted into the Sandinista forces. The political impact is huge within Nicaragua. What I would say is that the Sandinistas will soon be faced with a thought, a black cloud over their heads. And that thought is, we might lose someday, we do not know how many months or years in advance but we might. That is the day they come to the negotiating table or for the first time seriously think of negotiating.

Now conversely, what happens if no aid is voted? Well, with this level of Soviet and Cuban aid, what happens is that despite the willingness of people to fight, they are going to lose. The resistance forces will lose. Willingness to fight is not enough. Look at Hungary in 1956 or Czechoslovakia in 1968. Willingness to fight against Soviet tanks is not enough if you do not have something to fight with. What will happen is the resistance inside and outside will be crushed. The Sandinista Communist hold on a country, on a Cuban model, would be consolidated and then, considering the attention that they have devoted to El Salvador already and the support for terrorists throughout the hemisphere, then they will be completely free to dedicate full time to subverting not only neighboring countries but countries further away.

EVIDENCE OF SANDINISTA SUBVERSION

Mr. **DeWine**. Let me follow up on that and talk about the subversion, this has been something that the President has stated as one of his reasons for submitting this aid is the exportation of the Communist revolution. What hard evidence do you have to present to Congress that this has taken place in the past by the Sandinista Communists?

Secretary **Abrams**. Let me mention one incident which is probably the most horrifying and that is the incident in Bogota, Colombia, in the Palace of Justice, where the M-19 guerrillas took over the Palace of Justice, murdered half of the Supreme Court and a lot of other people who happened to be in the building. A number of the rifles that they used came from the Sandinistas, we know that to be a fact. So, there was a case of Sandinista support for one of the most despicable terrorist groups in the hemisphere.

As I travel in the hemisphere, I find that South Americans in particular are more and more aware of Sandinista support, not just for Central American terrorism but South American terrorism. With respect, just take another incident, it was only in last December that a little Soviet car, a LADA, broke down in Honduras on its way to the Salvadoran guerrillas carrying, I have the list here, carrying grenades, cryptographic material, money, ammunition for the FMLN from Nicaragua. So, this is going on both in the continuing direct subversion of El Salvador and they are sort of spreading out through their ties with the Libyans and the PLO and others.

Mr. **DeWine**. Basically the smoking gun, if we could use the term from Watergate, sir?

Secretary **Abrams**. Well, we call it a smoking LADA.

Mr. **DeWine**. Thank you.

Mr. **Gejdenson**. Thank you, Mr. Chairman. Before you take credit for all the democratization that goes on in the world I think it is important to remember that in Guatemala, it was the Congress that put restrictions on military aid. It was the Congress that put restrictions on aid to Haiti despite the administration's earlier objections. I will say that although the administration came around near the end, the President's role in the election in the Philippines may have caused more confusion than help. Certainly it was the Congress, not the administration that put economic pressures on Mr. Marcos.

So, I am not sure that all your policies work but this one seems to be failing in spades. We started off with an attempt to try to keep Cubans out of there. You now say there are more Cubans than ever.

Secretary **Abrams**. I did not say that. I said there are the same number.

Mr. **Gejdenson**. Oh, it has not grown since 1980?

Secretary **Abrams**. No, I said since the last time I appeared here.

Mr. **Gejdenson**. Oh, but it has grown since 1981 when you first started the Contras with the help of the Argentinians.

Secretary **Abrams**. I was not in the Government at that time. I cannot comment on that.

Mr. **Gejdenson**. Now, one of your people today said that we have got one choice, that we either give the Contras the $100 million or the Communists will win, the Warsaw pack will take the rest of Central America and we will have to send in the Marines. Do you have a provision for sending in the Marines if the $100 million is not approved?

Secretary **Abrams**. No, we have no plans for the use of U.S. forces but I think you have to ask what the next President is going to do under certain circumstances.

Mr. **Gejdenson**. Do you have a program that spells out how many years we are going to have to give them $100 million?

Secretary **Abrams**. This program is an 18-month program as you know. It takes you to the end of fiscal year 1987.

Mr. **Gejdenson**. And you think that by 1987 we are going to see a change in the Nicaraguans behavior?

Secretary **Abrams**. By 1987, we would have a very substantial increase in the pressure on the Sandinista regime. I would hope it would do something that has not happened yet, which is to make them negotiate seriously.

Mr. **Gejdenson**. We have heard that before. I mean we were told 4 or 5 years ago the same kinds of things.

Secretary **Abrams**. Well sure, then you cut off everybody for 16 months and now you are wondering why things had a setback.

Mr. **Gejdenson**. You wonder why they did not get any better in the time they were getting the money, I guess is the real question. First, we were interdicting arms and then we were overthrowing a government.

ALLEGATIONS OF DRUG TRAFFICKING BY THE CONTRAS

Let me ask you, have you asked the Drug Enforcement Administration to investigate allegations of drug trafficking by the Contras, in particular, the FDN? Have you asked that question?

Secretary **Abrams**. I have talked to DEA and there is absolutely no evidence nor any accusation of any involvement with drugs by the FDN. There was an accusation involving another group, it happens not to be the FDN.

Mr. **Gejdenson**. And you specifically asked the Drug Enforcement Administration if they had any evidence of FDN activities in moving drugs?

Secretary **Abrams**. Sure. Sure, there was a press report about a month ago based on an inaccurate statement of what the DEA had said and we went right back to them again and asked that question.

IDEA, INC.

Mr. **Gejdenson**. OK. On this company IDEA, Inc., where is that incorporated, do you know?

Ambassador **Duemling**. I can answer that, Mr. Gejdenson. That is incorporated in the District of Columbia.

Mr. **Gejdenson**. It is. We tried to find it and could not. And, do you know the board of directors of that company?

Ambassador **Duemling**. Yes, sir, I do. I can provide the names to you if you wish.

[The following was subsequently submitted:]

BOARD OF DIRECTORS OF IDEA, INC.

Kenneth Reed Harrison, Chairman, Westlake Village, Calif.; Robert W. Owen, Arlington, Va.; and Robert A.L. Wall, Rockville, Md.

Mr. GEJDENSON. I would appreciate that. And, they received about $50,000 in the last batch of money. Can we discuss here what services they provide?

Ambassador DUEMLING. Yes, sir, we can.

Mr. GEJDENSON. And you would tell us what role Rob Owens plays in that?

Ambassador DUEMLING. Yes, sir, I can.

Mr. GEJDENSON. Thank you.

Ambassador DUEMLING. I am just making a note here.

Mr. GEJDENSON. That is all right.

Ambassador DUEMLING. Mr. Owen I believe is the president of IDEA. It is a nonprofit organization chartered in the District of Columbia. Last October, I may even have the letter here somewhere, I received a letter from the three principal leaders of UNO requesting the services of Mr. Owen, specifically asking for the assistance of IDEA and through IDEA the full time services of Mr. Owen. And they requested his services to assist them in coping with the administrative, if you will in part, the administrative chores of working with Nicaraguan Humanitarian Assistance Office to implement the assistance program. They had little or no experience in dealing with the U.S. Government on issues of this sort and they felt they needed some help.

So, they asked me for his services and I agreed to that. We therefore issued a grant to that organization, to IDEA specifically requesting his full time services to be of assistance to UNO. Now, what Mr. Owen does primarily is to help them in the paper and formulating chores. But also we have made some inputs as to what we thought he might usefully address himself to and that included the management if you will, the organization of the health care operations in Central America.

Now, the reason that we asked him to take an interest in that is that Mr. Owen had visited the region in the past and in fact had accompanied a physician, Dr. Cheney, on a medical inspection trip there.

Mr. GEJDENSON. Did you originally reject or refuse to hire Mr. Owen yourself?

Ambassador DUEMLING. When Mr. Owen came forward originally to suggest that he could help us, my initial reaction was that I did not see a role for Mr. Owen's services. That was my initial response. I subsequently, when I received the formal request from the leadership of UNO, I reviewed the situation with them and specifically what role he might play. And it was after that review that I agreed to undertake to get his services.

Mr. GEJDENSON. Thank you.

Mr. BARNES. The gentleman from Arizona is recognized.

Mr. MCCAIN. Thank you, Mr. Chairman. Ambassador Duemling, you mentioned that you were not allowed to comment on the conclusions of the GAO report, is that accurate?

Ambassador DUEMLING. That is correct, sir.

Mr. **McCain**. Mr. Chairman, I think there is something very serious here because it is my recollection that the Chairman asked Mr. Conahan if the State Department was allowed to comment on those conclusions. Mr. Conahan said yes they were and obviously, Ambassador Duemling has a very different version. I think it is a rather serious situation here that a statement should be made by a man who is the author of a GAO report and to be directly contradicted by the person who was referred to. I hope we will be able to resolve that problem in time.

It was rather typical that Secretary Abrams was asked about the contra involvement in the drug traffic but I guess it is certainly probably due to lack of time my colleague did not want to ask about the Sandinista involvement in the drug traffic. And I know in fairness, I will take some of my time and ask that question to you, Mr. Abrams.

Secretary **Abrams**. There is an indictment in Federal Court right now involving Sandinista drug running. We actually have a photo of one of the top aids to Interior Minister Borge unloading cocaine or, I am sorry, supervising, he was not doing any heavy lifting himself, but supervising the unloading of cocaine from an airplane. Regarding Sandinista involvement, I guess the case is not completed yet, but I think it is fair to say that we could supply some further documentation for the record.

[The following was subsequently submitted:]

THE PRESIDENT'S REQUEST TO CONGRESS FOR AID TO THE NICARAGUAN DEMOCRATIC RESISTANCE

Sandinista Involvement in Drug Trafficking

There is credible evidence that high officials of the Sandinista government are involved in drug trafficking.

o Jose Alvaro Baldizon, former official of the Nicaraguan Ministry of Interior, described Sandinista involvement in the drug trade in testimony to the House Task Force on International Narcotics Control on March 11, 1986. He testified that:

-- the Sandinista Government offers protection to drug planes from Colombia which routinely land in Nicaraguan airfields in exchange for a percentage of the proceeds from the eventual sale of the drugs.

-- Interior Minister Tomas Borge's assistant, Captain Franco Montealegre, told him that the government was involved in cocaine trafficking to the United States to obtain hard currency, to weaken American youth, and to finance "liberation movements."

-- that known criminals, including drug offenders, have been incorporated into the ranks of the Sandinista police and have continued to engage in drug-related activity.

o In June 1983, a former First Secretary of the Nicaraguan Embassy in Canada was arrested with $10,000 worth of cocaine in his posession. Another drug dealer, implicated by the First Secretary, said that the First Secretary was a small link in a drug-smuggling operation involving Borge.

o In June 1984, a Drug Enforcement Agency source participated in a Nicaraguan-based cocaine smuggling operation with Colombian drug traffickers Pable Escobar and Jorge Ochoa, and Frederico Vaughn, an aide to Interior Minister Borge.

o During a DEA undercover operation, photographs were taken which show Nicaraguan government officials, including Borge aide Frederico Vaughn, loading boxes, described as being filled with cocaine, into a small aircraft parked on the military side of Managua airport.

o Antonio Farach, former Minister Counselor at the Nicaraguan Embassies in Honduras and Venezuela, testified before the Senate that Nicaraguan Minister of Defense Humberto Orgega reached an agreement with Raul Castro to discuss "a new business venture," calling for Managua to assist certain international drug traffickers with whom Cuba had contacts and allow them to use Nicaraguan airfields.

Mr. **Gejdenson**. Would the gentleman yield for just 1 second?

Mr. **McCain**. In fairness, indeed, sir.

Mr. **Gejdenson**. Thank you. I would then suggest that we give no aid to the Sandinista government on that basis alone.

Mr. **Kostmayer**. Would the gentleman yield for a point of information?

Mr. **McCain**. Yes, then I would suggest that in response to that that we probably should take more severe action against a nation which we have pretty confirmed information is involved in drug export.

Mr. **Kostmayer**. Would my friend from Arizona yield just for a question?

Mr. **McCain**. Indeed, I know it is going to be a good one.

Mr. **Kostmayer**. I only want to know how they know it was cocaine that Borge was loading?

Mr. **McCain**. There was some light stuff in Mr. Ortega's nose I think.

Mr. **Kostmayer**. If I can get an answer to my question, was it labeled cocaine or maybe it was just labeled coke and they thought it was cocaine.

Secretary **Abrams**. Well, I have to say I do not think it is particularly funny since we get an awful lot of cocaine in this country and Nicaraguan drug smuggling is not funny. But the answer is through intelligence sources which were able to identify that it was not for example heroin. It is clear that it was not marijuana.

Mr. **Kostmayer**. The box was open or what?

Secretary **Abrams**. Well, let me just say through intelligence sources we were able——

Mr. **Kostmayer**. I mean maybe it was like the Mig's that were in the crates that we were so concerned about.

Secretary **Abrams**. Well, we remain concerned about the possibility of bringing Mig's, they have built the infrastructure for Mig's already.

Mr. **Kostmayer**. Well anyway, what is the answer to the question?

Secretary **Abrams**. The answer was through intelligence sources, we were able to determine what the commodity was.

Mr. **Kostmayer**. In what way?

Secretary **Abrams**. Well, I do not want to reveal it.

Mr. **Kostmayer**. Of course not. Thank you very much.

Mr. **Dornan**. Would the gentleman yield for a point of information? Mr. McCain, would you yield for just a point of information?

Mr. **McCain**. Sure.

Mr. **Dornan**. Mr. Secretary, is this not the incident you are discussing where it was a DC-3, a C-47 goonie bird and they filmed the whole drug passage scene from a hidden camera in the tail and the pilot on that mission was just executed in New Orleans by a Colombian hit team? Is not this the case you are discussing?

Secretary **Abrams**. You started out with a situation that is familiar to me. I was not aware of the killing of somebody involved in this.

Mr. **McCain**. Mr. Secretary, there has been as mentioned was 31 Members of Congress that asked for an extension before the request for this aid. I also on the side might mention that I would doubt whether it were 6 years or 60 years, none of those 31 would ever approve of military aid to the Contras, but that is my own guess on that issue. Is not it true in the last 4 months that the Sandinistas have insisted on a political settlement with the United States as a precursor to a Contadora agreement, twice requested suspension of the Contadora process, and voted against an OAS resolution to support the continuation of Contadora?

Secretary **Abrams**. That is correct.

Mr. **McCain**. Is not it also true that Mr. Duarte in addition to requesting that the Sandinistas negotiate with the freedom fighters or Contras depending on what you want to call them that his reasoning, and he would then negotiate with those who were fighting against his government. The reason for this is that he said that he could not get his problems settled within his nation until the problems were settled within Nicaragua. Was that not his statement?

Secretary **Abrams**. That is correct. And I know he has told a number of Members of Congress that directly. That, because of the FMLN base in Nicaragua, there has to be kind of a regional settlement or you are never going to have peace in Central America. The FMLN gets support from Nicaragua and that has to be addressed at the same time.

Mr. **McCain**. In regards to the question about whether $100 million will suffice or $70 million or 18 months or whatever it is, do you not think that is also directly related to the extent of Cuban and Soviet involvement in supplies rather than a result of what the United States unilaterally does?.

Secretary **Abrams**. No doubt about it and I think we just have to recognize that—well, I would put the question another way I guess and that is, if the Soviets are willing to take longer than 18 months to put Communist governments in Central America, does that mean that they win?

CUBAN INVOLVEMENT IN NICARAGUA

Mr. **McCain**. Could you elaborate a little bit? We have already talked about Cubans flying the MI-24 HIND helicopter in Nicaragua, something which I think had it become known some years ago would have been a source of outrage across this Nation. What else do the Cubans do in Nicaragua?

Secretary **Abrams**. The Cubans are crucially important in the secret police. They essentially run the secret police and we have lots of accounts from defectors, for example, and from people still in Nicaragua that they were personally questioned or beaten or tortured by or in the presence of Cubans. We also have reports of Cuban military personnel with the units in the field urging the Sandinista conscriptees to bayonet wounded prisoners to death, in other cases to bayonet the bodies of dead prisoners in order to teach them that this is the kind of attitude you have to have toward the enemy.

The attitude of the Sandinista conscripts was discussed and the Cubans are pretty unpopular in Nicaragua. But, they essentially run the secret police operation, they have people with every sizable unit including every counter insurgency unit and they are actually the backbone of the security system and of the Sandinista military.

Mr. **McCain**. Thank you. Thank you, Mr. Chairman. I would just like to point out that it is a bit interesting that we are ready to vote on this very crucial issue today when last year we had no legislation of this sort up before the committee and we had five hearings that covered 3 days. I believe that there is a large number of witnesses that it would be very appropriate for this committee to hear from before we take a vote on this very crucial issue which many of us will determine the future of Central America.

And I deeply regret as a member of the minority that we have not been afforded more witnesses on both sides of this issue so that we could make a better determination and judgment on the issue. Thank you, Mr. Chairman.

Mr. **Barnes**. Well, let me say, I agree with the gentleman. The Chair had scheduled four hearings on this subject beginning today. This was to have been the first of four hearings and we had many witnesses, several panels of witnesses at each hearing. We were told by the chairman of the full committee that the full committee will mark up tomorrow and that we had to be finished by today. So, we are doing the best we can under these circumstances. But, I certainly agree with the gentleman, it would be helpful to all of us to have an opportunity to hear from more witnesses.

The gentleman from Pennsylvania is recognized.

Mr. **Kostmayer**. Thank you, Mr. Chairman. Mr. Secretary, our colleague Mr. Lagomarsino asked you why the Nicaraguans are anxious to resume bilateral talks with the United States and you said at least in part that they are trying not to deal with their neighbors. Is that your view?

Secretary **Abrams**. Yes.

COSTA RICA-NICARAGUAN BORDER COMMISSION

Mr. **Kostmayer**. Why then are the Nicaraguans in the midst of a negotiation with the Costa Ricans to resolve some of their border disputes?

Secretary **Abrams**. Well, what the Sandinistas are trying to do is to avoid a regional solution. For example, if they can make a deal with one country at a time then they might leave out El Salvador and be able to continue supporting the FMLN.

Mr. **Kostmayer**. Well does it not make sense to make a deal with one country, how else would you make a deal with but one country at a time?

Secretary **Abrams**. I am sorry, I should have said they are trying to avoid dealing with their neighbors collectively. What they are trying to do is to avoid a regional solution and what we are in favor of is a regional solution.

Mr. **Kostmayer**. Why do I have the feeling that if they did deal with their neighbors collectively, you would tell me that they were trying to avoid dealing with them individually?

Secretary **Abrams**. Because you do not trust the administration.

Mr. **Kostmayer**. Well, you are certainly right about that, that is one thing we agree on strongly. So, let me see if I get this right. Now, the foreign ministers of these eight countries are coming here to tell us what they really do not believe.

Secretary **Abrams**. That is not what I said, Mr. Kostmayer.

Mr. **Kostmayer**. Oh, I see, all right. Well, the Nicaraguans are now negotiating with the Costa Ricans to resolve their border disputes because they do not want to work with their neighbors. This is a new version of double speak.

Secretary **Abrams**. I do not think it is a new version of double speak at all. I think what I just said was that the Sandinistas are seeking to avoid a regional solution. They are seeking to avoid any means of verification. What they are seeking to do is put themselves in a position where they can first crush their internal and external opposition and then they will turn to their neighbors. They have already started but they will be able to pour a little more fuel onto it.

Mr. **Kostmayer**. They are trying to crush their Costa Rican neighbors by negotiating a resolution of the borders?

Secretary **Abrams**. If you genuinely believe that the Sandinista government does not have in mind the destablization of Costa Rica some place down the road, I would disagree with you and point out that there are over 500 Costa Ricans now being trained in Nicaragua in guerrilla combat by the Sandinistas, and where are those people going to go next.

THE CONTADORA PEACE TREATY

Mr. **Kostmayer**. Let me ask you, let me take you back to the 1984 Contadora draft which the Sandinistas agreed to sign.

Secretary **Abrams**. Sure, because they had no verification in it. The 1985 draft which has a little bit of verification, they will not go near.

Mr. **Kostmayer**. So, we are willing to sign the 1985 draft then?

Secretary **Abrams**. We do not sign anything because we are not part of Contadora.

Mr. **Kostmayer**. Our allies, of course.

Secretary **Abrams**. But the Central Americans have said the 1985 draft is much better because it has a beginning of the solution to the verification problem in it. It is not surprising the Sandinistas would jump on the version without verification.

Mr. **Kostmayer**. I want to yield to my friend from New York.

Mr. **Weiss**. Will the gentleman yield just on that one point? On April 11 or 12 of 1985, there was a Contadora draft that was prepared by the Canadian Government at the request of the Contadora countries and the Nicaraguans agreed to accept it totally. At that point, the other Central American countries at the opening of the United States decided to reject that for fine tuning, is not that correct?

Secretary **Abrams**. That is not my memory. I would have to say that my memory is that the September 1984 draft was rejected by the Central Americans. The September 1985 draft was thought by them to have much more verification.

Mr. **Weiss**. I am asking about April 11 or 12 of 1985?

Secretary **Abrams**. I just have to say that I do not remember.

Mr. **Weiss**. Well, I wish you would recheck your memory on it.

Mr. **Kostmayer**. Are the negotiations between the Costa Ricans and Nicaraguans a positive development or just a Sandinista ruse?

Secretary **Abrams**. I think it is a positive development if, as I understand the Costa Rican position to be from what they have said, it is supposed to be part of a broader regional settlement. Then it would be very positive, yes.

Mr. **Kostmayer**. Could that not be the next step. Could not they then negotiate with the Salvadorans or the Hondurans?

Secretary **Abrams**. Well, if they wanted to negotiate with El Salvador, they might start by stopping the subversion and they might start by accepting President Duarte's offer. It seems to me odd to think that they are dealing in good faith since they are in the midst of subverting all of these neighbors.

Mr. **Kostmayer**. We are dealing before with I guess eight or nine Latin American nations whose leaders or whose ministers at one time or another who have expressed publicly opposition to our policy of military intervention in Central America. All eight or nine do not feel that way, only half. How many are really telling the truth?

Secretary **Abrams**. It is not a matter of truth, it is a matter of willingness. You know when you talk to them and perhaps you have done this.

Mr. **Kostmayer**. I have.

Secretary **Abrams**. They are just absolutely amazed at our system of government and that the things that we insist on taking through the press, which is not their practice. Virtually all of these governments, in fact, I would say all of them, conduct some covert operations of their own which they do not like to see discussed in the press, and they wonder how we are able to keep secrecy in our own government. But I cannot give you—I would have to sit down or remember the conversations with chiefs of state and foreign ministers and ministers of the interior. But I am suggesting, and I think that many of you know this from trips to Central America, that you hear something slightly different privately from what you do publicly. And I do not think that is a big surprise.

Mr. **Kostmayer**. Well, is it slightly different or are they really telling us one thing publicly and another thing all together privately because publicly they have told us including yourself, that they are opposed to the funding of this military operation.

Secretary **Abrams**. It varies from country to country. And there are some of them who privately say, if you would only back away from this, then we will be able to handle the Sandinistas.

Mr. **Kostmayer**. Right.

Secretary **Abrams**. And, my comment on that to them and to you is to say that with the Soviet and Cuban involvement in Nicaragua what it is today, I have asked them how will you handle the Sandinistas. They give you an answer about moral pressure that just is not very convincing when you see the nature of that Sandinista regime. So there we just have a plain old disagreement and we figured that the policy should be made in Washington.

Mr. **Kostmayer**. Thank you very much. Thank you, Mr. Chairman.

Mr. **Barnes**. The gentleman from Indiana is recognized.

NICARAGUAN TRAFFICKING IN DRUGS

Mr. **Burton**. I would just like to start off, Mr. Chairman by saying that anybody that does not believe that the Nicaraguans are dealing in drugs and sending them to the United States has their head in the sand. They have been traced at least in part to Cuba and there are seven Cubans including their foreign minister that is under indictment right now in Miami. And as you know that one of the biggest allies of the Nicaraguan Sandinistas is the Cubans and they are working in concert in drug trafficking as well as trying to subvert those countries in Central America.

I think the thing that needs more elaboration, Mr. Abrams is to what extent the Soviet Union and Nicaragua are trying to subvert those Central American nations. Could you tell us how many tons of war materials the Soviet Union sent into Nicaragua last year approximately?

Secretary **Abrams**. Let me see if I have got that.

Mr. **Burton**. And can you elaborate a little bit, tell us how many HIND helicopters and how many other pieces of equipment that are murdering people in the countryside are being utilized.

Secretary **Abrams**. The Soviet Union is now giving about $500 million a year to Nicaragua and the bulk of that is probably, in dollar terms, oil because the other suppliers, for example Mexico, have stopped supplying oil. Even Venezuela was supplying right after 1979. And the dollar figure is roughly, $500 million.

Mr. **Burton**. Well, can you tell us about the war materials, I think that would make the case better.

Secretary **Abrams**. I do not have the tonnage figure right here with me. The largest single figure was for 1984 because a lot of big ticket items, such as helicopters, arrived in 1984 as did a substantial number of the vehicles, tanks, and armored personnel carriers. So that was the big ticket items. Now, we are back to the more normal level for 1985 of ammunition, fuel, spare parts, that kind of thing.

Mr. **Burton**. The figure that I heard was something like 18,000 tons of war materials, does that ring a bell with you?

Secretary **Abrams**. Yes, I am sorry that I do not have the figures right here with me.

Mr. **Burton**. Well, the figures I have was that the Soviet Union sent 68,000 tons of war materials into Cuba last year and approximately 18,000 tons of war materials into Nicaragua. And so I am sorry you do not have those figures. Can you tell me a little bit about the disinformation campaign that is taking place by the Communist Sandinista government to try to influence the people of the United States?

Secretary **Abrams**. Well, we have seen a substantial campaign for some time. I think the best example of it was given by Mr. Baldizon, who is a defector who used to work for Tomas Borge, Minister of the Interior. Baldizon's job was to deceive Americans, in large part, human rights groups in particular. And he has told us about the absolutely extraordinary manner in which this was done. Just as an example, Sandinistas who are said to be convicted of human rights violations and, assuming the international press or the European press goes away, they are let out of jail. When a parliamentary delegation—he had one in mind, a particular guy in whom there was interest in Holland—when a parliamentary delegation from Holland comes, they put the guy back in jail for a day so he can be visited in jail. He told of examples where a group from the United States is taken to a particular location and are let to roam free so they can talk to Nicaraguans. So the state security police takes 50 or 60 agents and sends them to that spot with a shoeshine stand or an ice cream stand to be typical Nicaraguans and to say to them, gee, this place is just ginger peachy.

This was a story that he told about the ways in which his job was to help cover up human rights violations and deceive American human rights groups.

Mr. **Burton**. Have you heard of the law firm of Reichler & Applebaum?

Secretary **Abrams**. I have heard of it.

Mr. **Burton**. Are you familiar with the human rights study that was done by Reichler & Applebaum, who received $350,000 from the Communist Sandinista government last year in retainers?

Secretary **Abrams**. I am familiar with it.

Mr. **Burton**. And it was paid for by the Communist Sandinista government, that human rights study that they did?

Secretary **Abrams**. The study, as I recall, was sort of put together by the Sandinistas' attorneys and they found a guy to do the study who received an enormous amount of help from the Sandinistas. I think it is fair to say that he was essentially under their influence the entire time.

Mr. **Burton**. And who published that report, do you know?

Secretary **Abrams**. I think the law firm, the Sandinistas law firm themselves put it out.

Mr. **Burton**. Was not that published by the Washington Office on Latin American Affairs?

Secretary **Abrams**. I do not recall.

Mr. **Burton**. Well, there was substantial evidence that that was the case and it was published and put on national television as fact when it was a Communist disinformation campaign that was paid for by the Communist Sandinista government and ran through the law firm of Reichler & Applebaum.

Secretary **Abrams**. I would just note on this question of human rights that there was some interesting testimony from Mr. Leiken yesterday in the Senate Foreign Relations Committee. He is, as you know, a Fellow at the Carnegie Endowment who is just back from Nicaragua. He was just sort of an observer on a trip of the International League for Human Rights. And as I say, I was actually quite surprised at the degree of human rights violations, which is in some ways worse than we have been stating on the basis of Embassy information.

The information they have about torture and executions and secret prisons is really quite frightening.

Mr. **Burton**. I have one more question and that is, are you concerned about the long range problems that the United States and our friends in Central America will face because of what they are teaching the kids down there in Nicaragua? Have you seen this text book, this first grade text book teaching kids to add, subtract, multiply and divide using war materials and talking about killing imperialists?

Secretary **Abrams**. I have seen that and it is a problem. It is a problem for example in Grenada today, students who have been trained in Cuba.

Mr. **Burton**. In your opinion, do you think that bodes ill for us down the road if we do not deal with this problem post-haste?

Secretary **Abrams**. I think the longer we wait, the more difficult the problem gets and some President is going to have to confront it.

Mr. **Burton**. Thank you.

Mr. **Barnes**. The Chair recognizes the gentleman from New York, Mr. Weiss.

Mr. **Weiss**. Thank you very much, Mr. Chairman. Just so we clear up one point about the so-called disinformation campaign conducted or purchased by Communist governments. Mr. Secretary, you are aware of the fact that the Marxist-Leninist government of Angola have hired Gray & Co. to represent it and to reach out to the American people through them, is not that correct?

Secretary **Abrams**. That is what I read in the papers.

Mr. **Weiss**. Right. You also know that the Drug Enforcement Administration, its most recent report lists the countries which are a factor in drug trafficking into this country and Nicaragua is not even listed as a significant source of drugs into the United States. Colombia is listed as being responsible for 50 percent of the cocaine that comes into the United States, is not that correct?

Secretary **Abrams**. Yes, the difference is that the Colombian Government under President Betancur who, as you know, is very much opposed to that and the justice minister was murdered because of that. That is not the attitude, unfortunately, of the government of Nicaragua.

DISINFORMATION CAMPAIGN

Mr. **Weiss**. Lets talk a little more about the disinformation campaign. This morning in the New York Times James Reston has a column which is headlined, "The Lie Detector in Washington." I am going to read just a few sentences from it. It says,

> We need some lie detectors around here. The most prominent advertising agency in Washington these days is the firm of Reagan, Weinberger, Schultz, and Speakes situated at 1600 Pennsylvania Avenue. These guys with the aid of Pat Buchanan inside and Mike Deaver outside think they can sell refrigerators to the Eskimos but sometimes they go too far.

And then further down to the end of the column he says,

> But Congress has it doubts and so does the press. They have been told so many lies about the Nicaraguan problem by the administration that they are no longer willing to be overwhelmed by this latest propaganda campaign out of the White House.

Now, do you consider that Mr. Reston is engaging as part of the disinformation campaign by the Sandinistas.

Secretary **Abrams**. I consider that Mr. Reston has probably not—I guess it was impossible to do so if you wrote the column the day before yesterday—familiarized himself with testimony such as that of Mr. Leiken. Mr. Reston seems to be unaware of the facts about

Nicaraguan repression or subversion. He is not entitled, as you are entitled, to get the kind of intelligence briefings that are available to Members.

Mr. **Weiss**. So he writes the columns for the New York Times based on insufficient information. OK.

Secretary **Abrams**. You know, I read that column and he did not cite one thing that he would call a lie and I would like to have the citation. People throw the word liar around pretty loosely and I would like to know the lies.

Mr. **Weiss**. OK.

Secretary **Abrams**. I think we have underestimated Nicaraguan human rights abuse on the basis of this report from the guy at Carnegie.

Mr. **Weiss**. OK, so that Mr. Reston's characterization of the lies and the lie detector that is needed in your opinion is wrong.

And let me go finally to the section of the statute which was cited by the chairman in his first question to you. And I am going to read that again.

> The President should establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to Nicaraguan democratic resistance is used only for the intended purpose and is not diverted through barter, exchange or any other means for acquisition of weapons, weapon systems, ammunition or other equipment or vehicles and material which can be used to inflict serious bodily harm or death.

And I understand your response to be that provision of the law passed by both Houses of Congress signed and all by the President of the United States is not being enforced because it is not enforceable.

Secretary **Abrams**. That is not what I said. I said it was being met. If I remember correctly, the chairman asked me that question directly and I said appropriate procedures were in place. You can read the record back but that is not what I said.

Mr. **Weiss**. You have appropriate procedures in place at this point and you can in fact track for us the dollar by dollar distribution of the purchases?

Secretary **Abrams**. That legislation did not say—and you are perfectly capable of writing legislation that does, and you did not—that we must be able to track every single dollar. We have our procedures which, taking into account the situation of Central America, and taking into account the resources available through, for example, the intelligence community, give us a high degree of confidence that everything that is being sent in is going in. You wrote the word "appropriate procedures" not the administration.

Mr. **Weiss**. Oh, so that you can interpret appropriate procedures to satisfy your interpretation, not what the intent of Congress was, is that correct?

Secretary **Abrams**. Well, I think we are satisfying the intent of Congress and you will notice that the GAO complimented Ambassador Duemling's office and did not cite a single case where they thought that something had gone wrong, including fine points.

Mr. **Weiss**. They said and if I can pick up on that you know because your statement now is going to be the statement instead of the GAO's statement. They said, "We found nothing however to indicate that Nicaraguan Humanitarian Assistance Office paid for lethal items." And in response to my question as to whether in fact they could state that there was no purchase of lethal items, they said they could not say that either.

Secretary **Abrams**. Sure, but that is because they are not in a position to do so. But GAO personnel are not the only people auditing this, you know. The State Department's Inspector General has taken a look at it and we are dealing with the Intelligence Committee on this, too. Now, I know the GAO is very annoyed because they cannot get into anything that is held to be covert.

Mr. **Weiss**. You just cited the GAO as supporting your position.

Secretary **Abrams**. They did not find a single thing which they said had been misspent or misplaced.

Mr. **Weiss**. They have no information. They said they could not cite it either way, is not that correct?

Secretary **Abrams**. From any of the information that they had and I realize that they are annoyed at the fact that they cannot go further into it but that is the purpose of having an Intelligence Committee and having an Inspector General and a State Department.

BEYOND VOUCHERS AND RECEIPTS

Mr. **Weiss**. Now, as a matter of fact, have you gone, you personally, have you gone into the information beyond the vouchers and the receipts to know that in fact those vouchers and receipts that the GAO looked at as saying there were certain amounts of certain items purchased in the region?

Secretary **Abrams**. Yes, sir, we get intelligence reporting on that.

Mr. **Weiss**. You personally?

Secretary **Abrams**. I personally and dozens and other people in the State Department.

Mr. **Weiss**. No, no, I am asking about you. You are now telling us that in fact you can testify that everyone of those receipts which says there was a purchase of a particular nonlethal item was spent for that specific purpose?

Secretary **Abrams**. No, I did not say that. I can testify that we have——

Mr. **Weiss**. You cannot testify to that?

Secretary **Abrams** [continuing]. That we have regular reporting on deliveries made in theater and that no one has ever complained about the failure to pay or the failure to deliver.

Mr. **Weiss**. Failure to pay or deliver but how about whether in fact the items that are being purchased are that which is set forth?

Secretary **Abrams**. We get reporting on that that says that such and such an amount was delivered at such and such a place yesterday. That is the kind of reporting we are getting from the intelligence community. And GAO cannot have access to it.

Mr. **Barnes**. The subcommittee will stand in recess for 10 minutes while we make this vote. I urge all members to return immediately. We are going to move to mark up.

[Whereupon, a brief recess was taken.]

Mr. **Barnes**. Subcommittee will come to order. The Chair recognizes the distinguished gentleman from Illinois.

Mr. **Hyde**. I thank the chairman. Mr. Abrams, as I look at the situation in Nicaragua, the Sandinista Communists have shut down the radio station of the Catholic Church because they refused to broadcast (and they say inadvertently) one of Comrade Ortega's speeches, they have confiscated their newspaper, they have confiscated the church's printing press. Despite the painful situation of the Contras in the sense that they are getting damned little humanitarian aid and no military aid from this country, the Sandinista Communists have imposed martial law, a very stringent sort and the church, the cardinal certainly and other priests cannot hold an outside mass anymore.

With all of this repression, is not the virtual silence of the church in this country surprising to you?

Secretary **Abrams**. It is. I do not understand it.

NEGOTIATIONS

Mr. **Hyde**. I do not either. We do not have a passive church at least anymore. We have an activist church that interests itself in many, many issues but I would think some fraternal concern would almost involuntarily spring forward to condemn the oppression of the church in Nicaragua. Well, it is just a kind of a fascinating sociological observation. Now, one of the big copouts for those people who will not vote for any aid to the democratic resistance is that we have not negotiated enough. It is interesting, there are no requests for the Mujahideen to negotiate over in Afghanistan or for Son Sanh to sit down with Hanoi and try to work something out.

But we insist on negotiating until we are blue, purple, and chartreuse in the face with these Communists under the illusion that if you ask enough or you ask nicely enough, they will yield some power. Now, does that notion strike you as naive?

Secretary **Abrams**. I think it is naive because there is no precedent for a Communist government giving away these crucial tenets of the Communist faith without some form of pressure.

Mr. **Hyde**. Now, is not the hangup with the Sandinista Communist and negotiation that they refuse to negotiate with their democratic resistance. They will not talk to them, they will not legitimate them, they will not recognize that they exist and they want to talk to us bypassing their own people and the democratic resistance. And nothing we say or do will change that equation. Is not that a fact?

Secretary **Abrams**. It is a fact so far. Where I might disagree with you, there is one thing we could do that might change that fact and that is to pass the President's program and allow the democratic resistance to have the strength to force the Sandinistas to begin to take them more seriously.

Mr. **Hyde**. Oh well of course, but that won't happen I tragically predict, this is act I of a tragedy that is going to play itself out in Central America and will ultimately be resolved at enormous cost in blood and money. That is my sad prediction. I hope I am terribly wrong.

But assuming that the gentleman on the majority party do what I think they are going to do which is isolate this country as leader of the free world from what is going on and the isthmus that connects us with South America, we are going to see a consolidation of the revolution and then more exporting of revolution. Now, there are intelligence reports to everybody on this committee if they really care, really care about how the M-19 in Colombia was using Nicaraguan weapons, about how money and training is going into Honduran Communists and Costa Rican Communists and pretty soon that whole area is going to be destabilized, more than it is.

Oh, by the way, we hear about Somocistas, do you have a head count on how many Marcosistas there are, people who worked with President Marcos and are now rallying around Cory Aquino? I know General Ramos is one of the head Marcosistas but somehow there is no taint that carries over for that. And yet, if you had ever served in Somoza's National Guard you are a leper forever. Do you understand that double standard?

Secretary **Abrams**. I think it is a double standard. As a matter of fact, no one has paid much attention to the fact that the Sandinistas have working for them a pretty good number of former Somocistas.

Mr. **Hyde**. Well but there are good Somocistas and bad Somocistas and if you go farther to the left, you are a good Somocista and if you go to the right, you are a bad Somocista. Now, one last question, can you tell me what the attraction is in Nicaragua a little country of less than 3 million people in a tropical area. What is the attraction for Bulgarians, East Germans, Libyans, PLO, North Koreans and Soviets? Is it the beaches or the water or what is it that attracts them down there?

Secretary **Abrams**. All of the above.

Mr. **Hyde**. Pardon?

Secretary **Abrams**. All of the above.

Mr. **Hyde**. All of the above, the beaches and the water is that it? Good, well that is terrific then. I know there was an article on tourism down there but it was censored from La Prensa. It would have been fun reading though, Ambassador Duemling. And last, do not be upset, some of these fellows think Castro's a pretty good guy. So you know, do not expect too much from this committee. Thank you.

Mr. **Barnes**. The Chair recognizes the gentleman from California Mr. Dymally.

ASSISTANCE TO PASTORA

Mr. **Dymally**. Thank you very much, Mr. Chairman. Mr. Ambassador, in your distribution of humanitarian aid, do you render any assistance to Comandante Pastora and his group?

Ambassador **Duemling**. That is a slightly difficult question to answer, Congressman.

Mr. **Dymally**. Why?

Ambassador **Duemling**. Because the identity of Mr. Pastora's group is a little bit fuzzy.

Mr. **Dymally**. The Secretary sitting next to you had praise for him in December before this committee.

Ambassador **Duemling**. May I continue?

Mr **Dymally**. Yes.

Ambassador **Duemling**. This is a somewhat shifting situation. I can say that my office does render assistance to people who have been associated with Mr. Pastora.

Mr. **Dymally**. No, no, the question was, do you render any assistance to Mr. Pastora's group in your humanitarian aid program?

Ambassador **Duemling**. I am not at the present time directly assisting Mr. Pastora himself.

Mr. **Dymally**. Why are not you assisting him?

Ambassador **Duemling**. The assistance that flows from the office that I administer has gone primarily, almost entirely, to the United Nicaraguan Opposition. That is an umbrella organization that has brought together several elements of the democratic resistance.

Mr. **Dymally**. Is Mr. Pastora part of that opposition?

Ambassador **Duemling**. He personally is not at the present time.

Mr. **Dymally**. I mean is his group part of the opposition?

Ambassador **Duemling**. People who have been associated with Mr. Pastora in the past——

Mr. **Dymally**. No, no, not the people who have been. Is his group associated with the coalition?

Secretary **Abrams**. Part of his group is.

Mr. **Dymally**. Because you so stated, Mr. Secretary in December before the subcommittee.

Secretary **Abrams**. I so stated what?

Mr. **Dymally**. That he was part of the opposition and had praise for his group.

Secretary **Abrams**. Well, I still have praise for his group and his group, I think tends to be a little bit more active than Mr. Pastora himself.

Mr. **Dymally**. Is this because he is opposed to CIA tainted aid that you have excluded him from the package?

Secretary **Abrams**. Well, drug running has something to do with it.

Mr. **Dymally**. Well, tell us about it.

Secretary **Abrams**. Well, it concerns Mr. Pastora's group and again there is a problem with terminology—who is in it and who is not in it. The only serious accusations that have ever been made about drug running by people involved in the Nicaraguan resistance forces relate to Mr. Pastora's group. It is also the case that Mr. Pastora's group has a serious problem with its own internal security.

Mr. **Dymally**. OK, so as a result of what you perceive or the evidence that you have at hand that Mr. Pastora's group is in drug running, you have withheld humanitarian aid from his group?

Secretary **Abrams**. We know that if we gave money to a group which was involved in any way or was accused in a serious way in narcotics trafficking, it would blow this program sky high. And so we have not wanted to run that risk.

Mr. **Dymally**. So, you are saying that Mr. Pastora's group is involved in drug trafficking?

Secretary **Abrams**. Some members of it have been and that is why this question of who is in it and who is not and who do you give aid to is a difficult question.

Mr. **Dymally**. So, some members of the opposition rape children and beat up women and kill innocent people, does that make the whole group ineligible for the aid on the other hand?

Secretary **Abrams**. What it means is that we have a human rights program to try to make sure that those people are punished.

Mr. **Dymally**. But you praised Mr. Pastora's group on December 5 for complying with human rights. Mr. Secretary. Do you plan to give Pastora any aid if you get this money?

Secretary **Abrams**. It is not a question that can be addressed to Ambassador Duemling. It is not his decision to make.

Mr. **Dymally**. All right, OK. You answer then. Does the administration plan to give aid to Mr. Pastora if you get this money?

Secretary **Abrams**. I hope to be able to give aid to and through Mr. Pastora.

Mr. **Dymally**. Even though he is running dope.

Secretary **Abrams**. If it can be clarified that he has cleaned up his organization.

Mr. **Dymally**. Well, why do not you clarify now?

Secretary **Abrams**. We have been trying to clarify it and he has not been cooperating a lot.

Mr. **Dymally**. So he is uncooperative. Is it because he is critical of the Somocista cards and critical of the CIA that you have withheld aid from him?

Secretary **Abrams**. You have to ask Mr. Pastora but that is not the reason we have withheld aid from him. I have expressed the reasons we have withheld aid from him.

Mr. **Dymally**. All right, now finally, Mr. Secretary, I note with some concern that you took credit for the exodus of the Duvaliers before this committee in closed testimony. You had very little information to provide this committee. In fact, you and I got into it because your Embassy had so much misinformation and so little accurate information. In fact, Congressman Fauntroy's office was supplying the committee with more accurate information and you know it was Jamaica that forced Duvalier out, not the United States.

I find it intellectually dishonest.

Secretary **Abrams**. Would you like to explain how Jamaica forced Mr. Duvalier out, force of arms?

Mr. **Dymally**. Force of arms, no, no. The Jamaicans went there and talked Duvalier into leaving. It was not realized because the day before, the day that it was happening you were before this committee unable to give us any accurate information about what was going on in Haiti and you and I got into it and you know that.

Secretary **Abrams**. I do not know that at all and I would also suggest that there is a difference between a closed hearing and an open hearing. We are in an open hearing now. If you have talked to Ambassador McManaway, you know the degree of his understanding of the situation in Haiti then, and now to say that he had no information is false.

Mr. **Dymally**. He had but he gave you false information to give the White House false information about Duvalier and you admitted yourself you had little to offer us.

Secretary **Abrams**. I think that is absolutely false.

Mr. **DYMALLY**. You had little to offer us and I scolded you about the lack of information.

Secretary **ABRAMS**. That is absolutely incorrect.

Mr. **DYMALLY**. And it was Jamaica that went there and asked Duvalier to leave, not the U.S. Ambassador. You provided the plane, thanks to you for doing that but you did not force Duvalier——

Secretary **ABRAMS**. That is flatly incorrect.

Mr. **DYMALLY**. You know that is the truth.

Secretary **ABRAMS**. And I will not hesitate to restate once again that I am very happy with the degree of information that I gave this committee in an open or closed hearing. As you now know, there were extremely sensitive discussions going on then and if you think that I was going to reveal it to a room full of people and run the risk of blowing that possibility of avoiding bloodshed in Haiti, I do not admit it for a minute.

Mr. **DYMALLY**. You were withholding information in a closed hearing?

Secretary **ABRAMS**. I said to you at that hearing that there were some things that I did not want to get into in detail and I am glad that I did that because——

Mr. **DYMALLY**. Because of lack of information, that is why.

Secretary **ABRAMS**. Because the situation turned out rather well, pardon me, because we were able to maintain a little bit of security about what was going on.

Mr. **DYMALLY**. Well, let the record show that Jamaica is the one that got value of it and the State Department did not.

Secretary **ABRAMS**. Let me just say that I think the role of Jamaica and of Prime Minister Seaga and of his special emissary Neville Gallimore cannot be praised too highly. But if anybody thinks that it was exclusively the role of Jamaica that did it, I think that is a misreading of the situation.

Mr. **BARNES**. The time of the gentleman from California has expired. At this time the committee will move to consider two matters that are before the subcommittee. First, at the request of the chairman of the full committee Mr. Fascell would ask that we would consider House Resolution 389.

Secretary **ABRAMS**. Mr. Chairman, are we free to go?

Mr. **BARNES**. Oh, I am sorry.

Secretary **ABRAMS**. Political prisoners.

Mr. **BARNES**. I apologize to you. We thank you very much for your presence this afternoon. Thank you again very much for your testimony.

Secretary **ABRAMS**. You're welcome.

Mr. **MCCAIN**. Well done, Mr. Secretary.

CONGRATULATING THE INTER-AMERICAN FOUNDATION

Mr. **BARNES**. The chairman of the full committee, Mr. Fascell, has asked that we take up something that was not on the agenda for this afternoon, House Resolution 389, congratulating the Inter-America Foundation on its 15th anniversary and commending it for its outstanding contributions to U.S. development assistance efforts in Latin America and the Caribbean. It is a resolution that the chairman is introducing along with Mr. Broomfield, Mr. Lagomarsino, and myself. I believe it is self-explanatory and I believe it is noncontroversial. I would ask unanimous consent that we exceed to Chairman Fascell's request to take this up this afternoon.

[The text of the resolution follows:]

IV

99TH CONGRESS
2D SESSION

H. RES. 389

Congratulating the Inter-American Foundation on its fifteenth anniversary and commending it for its outstanding contributions to United States development assistance efforts in Latin America and the Caribbean.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1986

Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. BARNES, Mr. LAGOMARSINO, and Mr. GARCIA) submitted the following resolution; which was referred to the Committee on Foreign Affairs

---

RESOLUTION

Congratulating the Inter-American Foundation on its fifteenth anniversary and commending it for its outstanding contributions to United States development assistance efforts in Latin America and the Caribbean.

Whereas the Inter-American Foundation was established by the Congress in 1971 to foster a new direction and a new emphasis for United States development assistance efforts in Latin America;

Whereas the Inter-American Foundation has fulfilled in exemplary fashion its mandate from Congress to strengthen the bonds of friendship and understanding among the peoples of the hemisphere, to support self-help efforts designed to enlarge the opportunities for individual development, to stimulate and assist effective and ever wider participation of the people in the development process, and to encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere;

Whereas the Inter-American Foundation has carried out its program in Latin America and the Caribbean since 1971 by making more than 2,100 grants worth more than $215,000,000 and doing so in a cost-effective manner;

Whereas the Inter-American Foundation has made small grants, averaging about $80,000, in rapid response to worthy proposals so that an appropriate level of assistance can reach those in need when it is most needed;

Whereas the Inter-American Foundation has operated through private rather than governmental channels on a "people to people" level;

Whereas the Inter-American Foundation strives to be responsive to the aspirations of poor people by supporting their own efforts to help themselves, their families, and their communities working through locally based and supported institutions;

Whereas the Inter-American Foundation has used its resources on a continuing, long term non-political basis to support ecologically and culturally sound self-help undertakings in agriculture and rural development, urban enterprises, community services, education and training, cultural expression, and research and learning about grassroots development in Latin America and the Caribbean;

Whereas the Inter-American Foundation has fostered immeasurable goodwill for the United States by reaching out to thousands of Latin American and Caribbean peoples who have never before had any contact with the United States Government;

Whereas the Inter-American Foundation provides development assistance in countries of Latin America and the Caribbean which are not otherwise recipients of United States development assistance; and

Whereas the Inter-American Foundation has provided valuable insights about grassroots development to development assistance agencies such as the Agency for International Development, the Inter-American Development Bank, and the World Bank, and was the model for the creation of the African Development Foundation: Now, therefore, be it

Resolved, That the House of Representatives congratulates the Inter-American Foundation on its fifteenth anniversary and commends it for its outstanding contributions to United States development assistance efforts in Latin America and the Caribbean.

Mr. **Barnes**. Are there any objections? Hearing none, is there a motion to report this favorably to the full committee?

Mr. **Gejdenson**. So moved.

Mr. **Barnes**. The gentleman from Connecticut so moves. The vote will occur on the motion of the gentleman from Connecticut to report House Resolution 389 favorably to the full committee. All those in favor will vote "aye."

All. Aye.

Mr. **Barnes**. All those opposed will vote "no." The aye's have it and the subcommittee reports House Resolution 389.

ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE

We will now consider House Joint Resolution 540, a joint resolution relating to Central American pursuant to the International Security and Development Cooperation Act of 1985. The staff director will read the Joint Resolution.

Mr. **Johnson**. House Joint Resolution 540, joint resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985. Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.

Mr. **Studds**. Mr. Chairman.

Mr. **Barnes**. The gentleman from Massachusetts.

Mr. **Studds**. Mr. Chairman, I move that House Joint Resolution 540 be reported unfavorably to the House.

Mr. **Barnes**. The gentleman from Massachusetts moves that the resolution, House Joint Resolution 540, be ordered unfavorably. Is there any discussion on the gentleman's motion.

Mr. **Lagomarsino**. Yes, Mr. Chairman.

Mr. **Barnes**. The gentleman from California. The gentleman is recognized for 5 minutes.

Mr. **Lagomarsino**. The action the subcommittee is going to take today is a foregone conclusion looking to the democratic side. And, I would say that apparently President Ortega of Nicaragua thinks so too because unlike last time when there was a vote defeated on the floor and he went to Moscow the next day, he has already gone to Havana. He has already gone to Havana and his fellow commandante, Bayardo Arce, has gone to Moscow. So, I deeply regret that a matter of such great national security importance has become such a partisan political issue.

When you see voting on a subcommittee that is strictly a party line vote as this one will be, I think it calls into question whether the policy is being considered on its merits or simply for partisan political purposes. Ever since the Reagan administration took office, its critics have complained that there has been no policy for Central America. Yet from the beginning, the administration has made it clear that it has four very distinct interrelated objectives there: No. 1, support for democracy reform and human freedom in each country. No. 2, renewal of economic development and growth to address the cause of turmoil and conflict. Three, security for the democratic governments in Central America to counter external subversion. And four, support for a political solution to the conflicts in Central America through peaceful, internal dialogue and dialogue among the countries in the region.

Critics complain the administration is only seeking a military solution in the region. Yet, should aid to a democratic resistance in Nicaragua fail, a military solution is precisely what will result. As the Secretary pointed out, the Communist Sandinistas will militarily wipe out all opposition. If you do not believe that, just wait and see. With the consolidation of the regime, the Sandinistas will then be free to continue their export of revolution to an even greater degree.

The capture in Honduras in December of ammunitions, grenades, communications and inscription materials being sent from Managua to Salvadoran guerrillas is the smoking gun critics have said they need to prove the Sandinistas are aiding guerrillas in other countries.

We also have evidence that the Sandinista Communists aided the M-19 terrorists in Colombia by giving them weapons for two November assaults on the Supreme Court in Bogotá. They were traced through serial numbers to the Sandinistas in Nicaragua. Those critics who have refused to acknowledge the evidence of Sandinista support for external subversion are condemning to death the democracies of this hemisphere. Fighting communism and preserving demoncracy should not be determined by a double standard.

It makes no sense to be supporting freedom fighters in Afghanistan and Cambodia but not in Nicaragua. It makes no sense to seek the ouster of Marcos in the Philippines because of fraudulent elections but not Ortega in Nicaragua. It makes no sense to demand internal reconciliation and dialog in El Salvador but not in Nicaragua. The administration and those of us who support it share the objective of seeking a negotiated settlement in Nicaragua.

The Contadora document of 21 objectives calls for internal dialog in Nicaragua. United States supports it, Contadora supports it, the Catholic Church in Nicaragua supports it, the democratic resistance in Nicaragua supports it. Only the Sandinistas Communists have refused to consider it. If we want the Sandinistas to negotiate and everybody says they do then we must not remove the incentives for them to do so. If we do, it will soon cease to exist and the Sandinista's will have no need to negotiate.

So I would urge my colleagues to vote no on the motion before us.

Mr. BARNES. Is there a further discussion of the gentleman's motion? Hearing none, the vote occurs on the motion of the gentleman from Massachusetts that the subcommittee report House Joint Resolution 540 unfavorably to the full committee.

Mr. BARNES. The staff director will call the roll.

Mr. JOHNSON. Mr. Barnes?

Mr. BARNES. Aye.

Mr. JOHNSON. Mr. Studds?

Mr. STUDDS. Aye.

Mr. JOHNSON. Mr. Gejdenson?

Mr. GEJDENSON. Aye.

Mr. **Johnson**. Mr. Kostmayer?
Mr. **Kostmayer**. Aye.
Mr. **Johnson**. Mr. Dymally?
Mr. **Dymally**. Aye.
Mr. **Johnson**. Mr. Weiss?
Mr. **Weiss**. Aye.
Mr. **Johnson**. Mr. MacKay?
Mr. **MacKay**. Aye.
Mr. **Johnson**. Mr. Reid?
Mr. **Reid**. Aye.
Mr. **Johnson**. Mr. Lagomarsino?
Mr. **Lagomarsino**. No.
Mr. **Johnson**. Mr. DeWine?
Mr. **DeWine**. No.
Mr. **Johnson**. Mr. Burton?
Mr. **Burton**. No.
Mr. **Johnson**. Mr. McCain?
Mr. **McCain**. No.
Mr. **Johnson**. Hyde?
Mr. **Hyde**. No.

Mr. **Barnes**. The staff director reports that the vote on the motion is 8 to 5 in favor of the motion to report House Joint Resolution 540 unfavorably to the full committee. We will convey that information to the chairman and as I understand it, the full committee will consider this House joint resolution tomorrow. I want to thank all members of the subcommittee for your cooperation and your participation in the hearing.

The hearing is now concluded.

[Whereupon, at 4:45 p.m., the hearing was concluded.]

UNITED STATES ASSISTANCE TO THE NICARAGUAN CONTRAS

THURSDAY, MARCH 6, 1986

House of Representatives,
Committee on Foreign Affairs,
Washington, DC.

The committee met in open markup session at 11:11 a.m., in room 2172, Rayburn House Office Building, Hon. Dante B. Fascell (chairman) presiding.

Chairman **Fascell**. I want to start out by asking for your cooperation, members and staff. We have a full room. We have a heavy agenda. I want as little staff movement as possible, please.

Thank you.

We meet today to consider several bills.

[Whereupon the committee proceeded to other business.]

The next item on our agenda is House Resolution 389, which the Clerk will report.

Mr. **Brady** [reading]:

> House Resolution 389. Congratulating the Inter-American Foundation on its 15th anniversary and commending it for its outstanding contributions to United States——

Chairman **Fascell**. Without objection, further reading of the resolution will be dispensed with, printed in the record in full, and open to amendment.[1]

Mr. Garcia?

Mr. **Garcia**. Mr. Chairman, I would just like to join with my colleagues, because the Inter-American Foundation is one of this body's finest creations. Sometimes we win and sometimes we lose, but there is no doubt in my mind that with the IAF we have won.

Fifteen years ago, you introduced the legislation creating the IAF, Mr. Chairman; so we should congratulate you as well. I think it is a credit to the House that the Foundation has made such a distinguished contribution to the nations of the hemisphere.

Chairman **Fascell**. I thank the gentleman for his remarks.

Any further discussion?

[No response.]

Chairman **Fascell**. If not, the question is on House Resolution 389.

All those in favor, signify by saying "aye."

[A chorus of ayes.]

---

[1] See p. 73.

Chairman **Fascell**. All opposed, "no."

[No response.]

Chairman **Fascell**. The ayes have it, and the resolution is adopted.

And the next item on our agenda is House Joint Resolution 540, the executive branch request for further military and humanitarian assistance to the Nicaraguan democratic resistance forces.

The chief of staff will report the resolution.

Mr. **Brady** [reading]:

> House Joint Resolution 540. Joint resolution releting to Central America pursuant to the International Security and Development Cooperation Act of 1985.
>
> Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.

Chairman **Fascell**. The gentleman from Maryland, Mr. Barnes, chairman of the subcommittee.

Mr. **Barnes**. Thank you very much, Mr. Chairman.

I think everybody is all too familiar with this issue, the issue embodied in House Joint Resolution 540 with respect to the President's request of February 25 for $70 million in military aid, and $30 million in nonlethal logistical assistance to the Contras.

The Subcommittee on Western Hemisphere Affairs, which I have the privilege to chair, voted 8 to 5 yesterday afternoon to report this resolution unfavorably to the full committee.

Let me take just a moment, if I may, because I have been so involved in this issue from the very beginning, to take some of my colleagues who have not been as involved, or perhaps arrived after the issue really began, back through just a moment of history on it.

I first learned of U.S. assistance to groups fighting in Nicaragua from an anonymous phone call from someone purporting to be in the administration, telling me that that the United States was engaged through intelligence agencies in training personnel that would leave the United States to go to Nicaragua to engage in paramilitary activities, and that this was a covert operation, and that we were going to be conducting this.

I called the then-Assistant Secretary of State, Tom Enders, and asked if I could meet with him. I said I did not want to discuss the subject over the telephone; and we met the next morning for breakfast.

And I told him what I had learned through this leak, and he assured me that what was happening was a very limited, extremely discreet program of hiring and arming small bands of 10 to 12 paramilitary personnel who would operate along the Honduran-Nicaraguan border to interdict arms shipments that were going from Nicaragua through Honduras to El Salvador, and that this would be very tightly controlled, and that it would not be permitted to expand in any way; and that I could be assured that we had no fear that this was going to get out of control.

And I remember this conversation as though it was this morning at breakfast, not some years ago. I said to the Assistant Secretary:

> Tom, you know, these things just have a way of getting out of control a little bit, and eventually we are going to find that the tail is wagging the dog, and they have

their own agenda. Our agenda may be to interdict arms shipments, and to operate along the border, but they are going to have their own agenda. And if you are hiring former Guardsmen and people who have their own political purposes, they are not going to listen to our ideas of what their activities should be; they are going to be engaged in trying to overthrow the Government in Nicaragua.

But I was assured absolutely that that would never happen, that this was a very tightly controlled program and that all we were going to do was to permit them to interdict arms along the border.

Well, that is the first that I learned of it. That is the first conversation that I had about the program, and now here we are, some years later, and today the Secretary of State made the case to a number of us in the committee that we cannot abandon this program now because, to do so, would be to abandon this huge group of thousands of people who are fighting in Nicaragua, trying to overthrow the Government of Nicaragua.

We have come a long way from those bands of 10 to 12, whose purpose it was to interdict arms shipments, and we face now one of the most momentous foreign policy questions that the Congress will confront in 1986.

We do not fully know what we are voting on, I would say to my colleagues, because the President's request, although it is limited to $100 million, removes all of the restrictions—and I have had this confirmed in conversations with the, discussions with the distinguished chairman of the Intelligence Committee—the President's request removes all of the restrictions that are currently in the law, with respect to the expenditure of the funds.

As you may recall, a very tough compromise was hammered out last year over how the $27 million that was appropriated could be expended. No other funds may be expended. No other Department of Defense funds, for example, could be reprogrammed for supporting these groups.

No use of the contingency funds of the Central Intelligence Agency may be used under current law, for this program.

But this request of the President, which we are voting on this afternoon, removes all of the restrictions, so we do not really know what will be done. We really do not know how much money will be spent if we approve the President's request. This is an open-ended approval.

If you vote this afternoon to approve the President's request, you are voting unlimited discretion, essentially, to the administration to do whatever it wants with respect to assistance to these groups in Nicaragua, to get the intelligence agencies totally involved, to get the Defense Department totally involved, to get us deeply involved in a war in Central America.

So, I urge my colleagues to consider that very carefully.

On the merits, you may determine that that is exactly what you want to do, but you ought to understand what it is you are doing before you do it.

The last thing I would like to say, Mr. Chairman, if I may, very briefly, is that I think the debate of the last few days has taken on a very sad dimension.

I have not been in Congress very long. I am only in my fourth term, and there are members of this committee who have been here far longer than I, but I do not remember a time during my period here in which we have seen the kind of rhetoric from top-ranking officials of an administration attacked opponents of their policy.

The President of the United States yesterday said, in response to a question, that opponents of this policy are supporting communists.

The top official in the White House, Mr. Patrick Buchanan, wrote an article yesterday in The Washington Post, which said that you are either for the President or you are for the Communists.

Yesterday, the Assistant Secretary of State, a very able gentleman, Mr. Abrams, appeared before my subcommittee and essentially restated that: That if you are not for the President's policy, you are for the Communists.

Mr. Kalb, the spokesman for the State Department, yesterday, attacked me, attacked the General Accounting Office as somehow being engaged in a conspiracy to undermine the policies of this Government.

The President yesterday compared church leaders in the United States to Communist dupes that he has seen in Hollywood during his days dealing with "Communist-front groups."

The administration is constantly attacking human rights officials who put their lives on the line to gather human rights data in dictatorships of the left and the right all around the world as "dupes of communism."

We do not need this kind of debate; we can discuss these issues on the merits.

Mr. Chairman, these charges that Members of the Congress, that the General Accounting Office, that archbishops and bishops of many religions in the United States, that leaders of our human rights groups, and other legitimate, honorable, respected persons and institutions in our Nation are "Communist dupes" would be laughable were they not coming from the President of the United States and his top advisers.

Frankly, I do not believe we have heard such offensive nonsense from our top political leaders since the 1950's. These statements are the moral equivalent of McCarthyism. As one who is concerned about the President's policies, I suppose I might thank the President and his advisers for these tactics, which I think are probably doing more to unite the Congress against his policies than anything that I as an individual opponent of his program can do.

But, as an American, I can only be dismayed by these, I believe, unscrupulous attacks on the loyalty and the patriotism of people who have a different view. That is all they have is a different view of how to advance United States' interest.

These statements, Mr. Chairman, and my colleagues, I believe, demean the Presidency of the United States. They demean our Nation; they demean our democratic institutions.

I urge the President, and other officials of his administration to stop talking this way, to act from now on in this debate with a decent regard for the integrity of the institutions that bind us all as Americans together, and for the integrity of the debate through which we conduct our political business in a democracy.

I also urge the President to reconsider his policies, and to, I think, he could unite our country with every major democratic leader in the Western Hemisphere.

Are they all "dupes of communism"? Every major democratic leader in our Hemisphere has urged the President of the United States not to undertake this policy, and we could unite with them in a positive program in support of the Latin initiatives to find a mechanism, to find peace, and to pursue democratic principles and democratic institutions in Central America.

There are positive alternatives to this policy. We ought to debate those on the merits. We ought not to be attacking each other in the way that we have seen in the last few days; and to that end I would urge my colleagues to consider carefully the merits of the issue before us.

I think if you do, you will vote to report this resolution unfavorably to the House.

Chairman **FASCELL**. Let the Chair state here before we continue with this debate of course, everybody understands that this resolution has been reported to four committees, and under the expedited procedure in the law, that the resolution is unamendable, that within the time constraints that are laid down by the law, the bill will go the floor within that time period, and that that be ten hours of debate as the law specifies, and I certainly don't want to cut anybody off in this debate. There are a lot of important statements to be made.

But I just wanted to be sure that everybody understood the process here, the resolution could be reported unfavorably it could reported favorably, it could be reported without recommendation, but that's the extent of what this committee can do here today.

Mr. Broomfield?

Mr. **BROOMFIELD**. Thank you, Mr. Chairman.

And I think this is probably one of the most important votes we'll be casting in 1986, also. I would hope that our committee would return to a bipartisan foreign policy. I really think that's at stake and I hate to see the polarization that has developed here. I think we ought to consider the President's request in a bipartisan spirit.

I support the President's request for $100 million in funding for the democratic resistance. The administration needs this funding to continue the two track approach for bringing democracy and reconciliation to Nicaragua. I believe the request the President's made is a very reasonable one. It deserves our support. We are faced, really, with one of the most major decisions about the future of democracy in that country.

And I'm saying this and everybody ought to understand it. Time is running out. If we fail to act, the game is over for the forces of democracy in Nicaragua with no military assistance and little humanitarian help getting through, the Contras are suffering and our opposition know that. We sit back and we watch as they are driven out of their homeland.

All I'm asking of this committee is to seriously consider following what the Armed Services Committee did today, and allow this issue to go to the floor of the House for consideration in 2 weeks. And I ask for a favorable vote. Now, I think it's extremely important to give the President this opportunity. I think in the next 2 weeks, you'll be very very pleased at the initiative that we'll try to bring about for new negotiations.

Now, I believe that if Mr. Ortega would return from Cuba and start negotiating in good faith with the freedom fighters in Nicaragua, we could accomplish a great deal. The President has indicated if the negotiations can start, if Ortega would meet with the freedom fighters, he would agree to start with negotiations on a bilateral level with the Nicaraguans. I think there's a lot going for us, and I hope the Congress will forget trying to be just critical of the administration and look at what the President's trying to do.

The President has been extremely successful in the situation in Haiti, and I think that we ought to keep this going. The Philippines is another area where the President has been very very successful, and I just think this committee owes that much to the administration.

If they want to vote against this legislation after it reaches the floor, do it, but at least give the President an opportunity to have this issue reported favorably to the floor and wait 2 weeks before you cast your vote. The stakes are high; it's extremely important to our national security, and I sincerely urge you to do everything to get this bill to the floor favorably.

Chairman **FASCELL**. Mr. Lagomarsino?

Mr. **LAGOMARSINO**. Thank you, Mr. Chairman.

I think we should talk about the issues, too. You know, opponents of the request insist the United States should be pursuing a policy of negotiations in Central America. But the administration has in fact been seeking a negotiated solution since August of 1981, and the obstacle to the negotiations has been the intransience of the Communist Sandinista regime in Nicaragua. The attitude by them has changed very little over the past 5 years.

Their recent statements and actions on negotiations demonstrate clearly their opposition to achieving a verifiable enforcable Contadora peace agreement. Some of the recent examples of their efforts to obstruct agreement in Contadora can be seen in the reaction to the September 1985 Contadora draft agreement.

The Sandinistas, in November, objected to the draft, saying they could not accept it until they had reached a prior accommodation with the United States. On December 3, the Sandinista Communists requested suspension of the Contadora talks until May of this year. On December 9, the OAS General Assembly voted 28 to 1 toward continuation of the Contadora talks.

Nicaragua was that one. The only one member to vote against the resolution. In January, the Sandinistas repeated their objections to the September draft, and in February, Daniel Ortega once again rejected the Contadora draft agreement in a speech he gave before the Third Cuban Communist Party Congress in Havana.

Also in February, opposition political parties in Nicaragua proposed a series of objectives, including suspension of hostilities, a general amnesty, repeal of the state of emergency, agreement for new elections, fulfillment of the Sandinista Comandantes commitments for democratization and for international assistance to implement the proposals.

The Sandinista regime rejected those proposals. At the most recent negotiating session of the Contadora group, on February 14 and 15, Nicaragua continued to refuse to address the remaining issues to be resolved in the current Contadora draft. An initiative by President Duarte to resume his dialog with the guerrillas in El Salvador, if the Communist Sandinista regime in Nicaragua will begin a dialog with the democratic resistance in Nicaragua, puts the burden of proof on the Sandinistas to show they are truly interested in negotiations.

If the Sandinistas would sit down with the democratic resistance, as Mr. Broomfield has told us, the United States has said it will simultaneously resume bilateral talks with the Sandinistas. The obstacle to the negotiations has not been the United States; it's been the Nicaraguan Communists. In fact, the only reason they have participated in negotiations at all has been the result of the pressure they have felt from the Democratic resistance. If that pressure didn't exist, they would have no incentive to negotiate at all.

Last April, the House rejected aid to the Contras and the very next day, Sandinista leader Daniel Ortega went to Moscow. A lot of Members of the House apparently were embarrassed by Ortega's action. I don't know why they were or why they were surprised. He's been going to Moscow and Havana for years.

It's been a year, almost a year, since Ortega's trip for which a time seemed to wake people up around here to the true nature of the Communist Nicaraguan regime in Nicaragua. As a matter of fact, Ortega is in Havana right now. He apparently is confident Congress is going to turn down the aid. However, Bayardo Arce, one of the nine commandantes, is in Moscow, so we don't need to be disappointed about that.

Now, we're quickly approaching another decision on aid to the democratic resistance in Nicaragua, in another couple of weeks. The character of the Sandinistas has not changed in the past year; if anything, it's gotten worse. They've increased their repression against their own people; have continued to supply arms to the Salvadoran guerrillas, have used Cuban pilots in combat against the Contras, and have supplied weapons to the Colombian guerrillas which they used in the attack on the Colombian Supreme Court.

I shudder to think, my colleagues, that the House may reject aid to the Contras again, only to find itself embarrassed once more by Ortega and friends. You know, what greater atrocity will the Sandinistas commit only to have some people surprised by those actions.

So I would urge my colleagues to vote favorably for the resolution.

Chairman Fascell. We will take a recess to make this vote, and then come back and resume discussion.

[Brief recess is taken.]

Chairman Fascell. Thank you. The committee will come to order, please, and we'll continue our discussion on the pending resolution.

Mr. Hyde of Illinois.

Mr. Hyde. Thank you, Mr. Chairman.

There's a distinction to be made if one is interested in clarity in the intentions of legislators in advocating a specific policy and the consequences of that policy.

There's a well-known road paved with good intentions. And some liberals have raised to an art form the engineering of unintended consequences. I need only site Iran, Cuba, Cambodia, and a few other places.

For myself, I will stipulate to the unyielding patriotism of every member of this committee, but I reserve the right to comment and criticize the consequences of their policies which are most serious, if not terminal, for the cause of democracy in Central America. And when it comes to harsh rhetoric on this subject, I think a trend was set by the Speaker of this House, who said in a press conference, that President Reagan won't be satisfied until he introduces troops into Central America.

Now, if you think about that, it means the President wants to introduce marines and soldiers down there who undoubtedly will be killed, and I think that's pretty harsh. Now, the Speaker's entitled to think that and I'm sure he does think that. But there has been some harsh rhetoric on both sides.

And I would hope that that would not determine this issue. Marxist socialism is responsible for more scarcity deprivation and poverty than any other economic system in the world, and as a political system, it's the most sustained assault on the human spirit in history.

And any action or inaction on our part that nurtures or even holds harmless such a system on our doorstep to use the phrase of Muammar Qadhafi, is a major contribution to tragedy, a tragedy that's played out in Afghanistan, Cambodia, Ethiopia, Vietnam, Poland, the Baltic States, Eastern Europe, North Korea, and elsewhere, and now this infection has reached our hemisphere, our doorstep, and we have a chance to help control events, rather than as usual, react to events.

Today, we have an opportunity to offer solidarity by telling the whole world we stand with those who stand for freedom. The day we can insist that if the Soviet Union has a right to give military assistance to its client states, the United States has a right, and I would say a duty, to give aid to freedom fighters, and a force for liberation is not the moral equivalent of force for subjugation.

The fallacy of wanting to negotiate, negotiate, negotiate is simply that there is nobody to negotiate with as far as the Sandinistas are concerned except the United States or anybody on the globe but the Democratic resistance. The people with whom they must make peace. They refuse to talk to those Democratic resistance, to the freedom fighters, as Israel refuses to talk to the PLO.

Now, there's a reason for Israel not talking to the PLO. The PLO refuses to recognize the right of Israel to exist. But the freedom fighters inside Nicaragua recognize the right of the government to exist; they want free elections; they want pluralism; they want tyranny to be removed. So continue to ask for negotiations but you'll get nowhere until the Sandinista Communists are willing to negotiate with the people they should negotiate with, their own people, Nicaraguans who are trying to see that the revolution they participated in is fulfilled.

Now, let me quote from one of the great leading Democrats who's a member of this Committee, who was the chief sponsor of a bill to provide $5 million overtly for military assistance to the democratic resistance in Vietnam. And here's what he said. And listen to his words. And I quote.

> And while it is very true that ultimately the Vietnamese might react with more force, everybody recognizes, I would say to my friend from Connecticut, there is no way the non-Communist resistance is ever going to force Vietnam out. That's clearly impossible. But what is possible is that an increasingly effective resistance, by increasing the price Vietnam has to pay for their occupation of Cambodia might induce the Vietnamese to agree to a political settlement.

Now, if that makes sense 12,000 miles away, it makes sense on our doorstep. Pressure has got to be maintained. And aid to the Contras is one, but one indispensible aspect of that pressure. The impact on the front line states, I'm speaking of Honduras, El Salvador, Costa Rica, Guatemala, if we abandon the Contras will amount to cutting off the oxygen to the fragile democracies that are struggling to be born in Latin America. After all the equivocations, all the rationalizations, all the qualifications and all the evasions are made, and we are finally faced with a stark simple question: which side of the barricades are you on?

The word "barricade" is interesting because the Baricada is one of the great Communist papers in Managua. They understand that the barricades are in place. If we refuse to add our money to the Contra's lives today, we're going to pay a fearful price tomorrow. I support the resolution and I prayerfully hope that we can find it in our hearts to do so to pass it on to the floor.

Thank you. Mr. Chairman?

Chairman **Fascell**. Mr. Torricelli?

Mr. **Torricelli**. Thank you, Mr. Chairman.

Mr. Chairman, about Nicaragua, two things can be said with certainty. One, that almost everything that can be said has been said, and second, almost everyone who has had a view through these last few years has been wrong. Those of us who have hoped for the best from the Sandinistas have found the worst. Those who had hoped that a military intervention might bring peace have found only more conflict.

There is perhaps only one thing upon which we can all agree and that is that there is a serious and deteriorating situation in Central America. In fact, the situation with respect to Nicaragua is deteriorating rapidly.

In meeting the realities of that problem, we have one primary obligation; one first obligation among all others. And that is to construct a policy that has a chance to succeed and on any level of analysis, this policy, the Contra invasion of Nicaragua, has been a failure. First, militarily, the CIA has been assisting the Contras in their invasion of Nicaragua for 4 years, longer than America fought Japan and Germany.

And yet, after 4 years, the expenditure of $100 million, they have yet to win a single engagement, to liberate a single town, to occupy a square yard of territory, and in fact, they have less troops fighting today in Nicaragua than they had last year or the year before.

Economically, the administration argued that it was critical to begin the Contra invasion because there was a growing dependence on the Soviet Union. When the invasion began, 4 percent of all trade with Nicaragua was with the Soviet Union. This year, it'll pass 30 percent.

As for Cuban influence, we were told that the invasion was critical because of a growing Cuban influence in Nicaragua. And indeed in 1981, we were told there were some 200 Cuban advisers. Today, there are 3,000.

As for military aid, in 1982, the President came forward and told us that it was critical to have a Contra invasion because the Nicaraguans were receiving 900 tons of Soviet military supplies. Today, it's 18,000 tons. It isn't enough therefore to suggest that this Contra invasion has been a failure. It has been more than a failure. It has been counterproductive.

It has created the very circumstances that we feared the most. Mr. Chairman, I am prepared to support the administration in a realistic policy toward Central America that has some chance of accomplishing the very goals that are designed for the policy.

But don't ask us to support a policy that is producing the very problems that we have feared the most. Nor am I dissuaded from a policy because America must stand alone. Some of our finest policies have found us alone. But doesn't it tell us something when every democratic nation that is our ally opposes us? That every democratic nation in Latin America has advised against this invasion?

That, in fact, the only two nations who stand with us are the dictators in Chile and in Paraguay? That may not be controlling, but doesn't that suggest something?

Mr. Chairman, I vote not merely for the defeat of this administration's policy, because I want to see them fail, but rather with the hope that it would serve as an invitation to work with this Congress and this committee. The construction of a bipartisan foreign policy that allowed us to be so proud of our role in the Philippines began in large measure in this committee.

That door is still open. Mr. President, come clean; start fresh; work with us for a new policy, not because we don't think the situation is serious, it is. Not merely because this policy of invasion has failed, but because it has been worse than a failure. It has been counterproductive. It is creating the circumstances that we fear the most.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. McCain?

Mr. McCAIN. Thank you very much, Mr. Chairman. I agree with the previous speaker, at least on what he first said, and that is that everything that there is to be said has been said.

However, picking up where he left off, a Contra "invasion," I'm curious how a group of people can invade their own country. The argument that because of the United States' involvement, there has been an increase of Cuban or Soviet involvement, is difficult to reconcile with the example in Angola.

For 10 years, under the Clark amendment, Mr. Savimbi didn't receive a bandaid or anything else from the United States, and yet we have gone from 9,000 to 45,000 Cuban troops in that part of the world.

No, unfortunately the Contras do not control very much of that country, and neither do the mujahedeen in Afghanistan. I'd be interested to know if for that reason, we would want to stop assisting the freedom fighters in Afghanistan.

Perhaps my esteemed and respected colleague from New Jersey who mentions 4 years of involvement, does he remember that as of June 1984, the United States cut off all assistance in every fashion to those Contra forces? So I would make an argument that since all assistance was cut off, we indeed have not been involved. In fact, it's only been in the last few months that some $18 million in humanitarian aid has been provided.

I'd like to go back if I could, to Chairman Barnes' comments. I think that he certainly has made an admirable effort to resolve this issue. I have been on the other side of him from military aid to El Salvador to this one. He mentions how someone called him and told him we cannot abandon them now. I would remind him that we did abandon them, and we have come a long way since the beginning.

We've come a long way with 7,000 Cuban troops, PLO, Bulgarians, East Germans—it reminds one of the bar scenes in Star Wars as far as on international line up of interesting people are concerned. Yes, they've come a very long way. As far as Chairman Barnes' assertation that we don't fully know what is in this particular piece of legislation, that may be true, but it is not this side that put this legislation on a fast track in order to beat the Senate.

And it would have been a great deal of assistance, not only the Congress of the United States, but to other members of this body, if we could have had full-fledged hearings and a proper ventilation of this issue. Last year, the Western Hemisphere Subcommittee, on which I sit, had five separate hearings in a period of 3 days on this issue, and there was no legislation before us.

Yesterday, we had one hearing in which the GAO made a very fascinating report about our being unaccountable in areas that the GAO is forbidden by law to go into. As far as Congressman Barnes' statement about removal of restrictions, it does not; we all know that. There's not going to be any full funding. This Congress isn't going to allow it, nor would the American people.

As far as the GAO is concerned, I think someone should question a GAO report of which one copy is delivered to the majority and the Washington Post carries a story about it the next morning, before members of the minority know about it. I think it's interesting that the GAO witness was asked by our chairman if the State Department had had a chance to comment on their conclusions. He said, yes, and the following State Department witness came up and said he had not been allowed to comment on the conclusion reached by the GAO. I think that that issue itself should be resolved before we give credence to a GAO report.

I'd like to talk about the issue of the rhetoric. I thought that in our meeting this morning with the Secretary of State, we had resolved this issue of the level of rhetoric and I'm very disappointed.

I see Congressman Barnes had to bring it up again, because I think the charges of McCarthyism only tend to inflame the debate here, rather than mute it.

I understand his concerns about the level of rhetoric. It was pointed out by Mr. Hyde what the speaker said. I do not blame either side; I blame both. I think it would have been much more helpful if, in his appeal for muting of rhetoric and bipartisanship, the charge of McCarthyism had not been raised. No one chooses to be accused of McCarthyism.

Finally, what about the other channels and the diplomatic exercises that we should pursue? I'm one who fervently hopes that a political, not a military solution, will prove the salvation of Nicaragua. I'm also a cosponsor of House Concurrent Resolution 283, which expresses the support of Congress for the Caraballeda principles and the Contadora process.

In the meantime, Nicaragua's subterfuge against a political settlement continues. In the last 4 months, they have insisted on a political settlement with the United States as a precursor to a Contadora agreement, twice requested suspension of the Contadora process, and voted against an OAS resolution to support the continuation of Contadora. Just a few days ago, President Duarte made an offer that he would negotiate with the rebels in his country if the Nicaraguan Government would do the same. And I quote, he says,

> I don't think I'm going to resolve the problem in El Salvador unless the problem is solved in Nicaragua. If there are problems in Costa Rica and Honduras and other neighboring countries, I suggest that those problems will not be settled unless it was within Nicaragua.

Finally, Mr. Chairman, I repeat the urgings of my colleagues. Let's please address this issue on a bipartisan basis and not question anyone's integrity, patriotism or dedication to the future security of this Nation.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Studds.

Mr. STUDDS. Thank you, Mr. Chairman. And amen to what Mr. McCain just concluded by saying.

Mr. Chairman, the halls are ringing with rhetoric and very deep emotion. I must say that my principal reaction after 5 years of debating this issue is sadness. Whatever the outcome of this debate and the orgy of propaganda that surrounds it, it's not going to reflect well on our Government. It's not going to change the policies of the Government of Nicaragua. It's not going to make the exile groups something that they are not, and it is not going to end the incredible and bitterly unfair suffering of the Nicaraguan people.

The saddest part for me is that the United States' role in this crisis could have been so much more constructive than it has been. Recent events, as many colleagues have pointed out, have demonstrated how much the United States can accomplish when our Government fights for policies and ideals that members of both parties in this Congress and the Nation, as a whole, support.

Unfortunately, our policy in Nicaragua as in Angola, remains self-indulgent and extreme, a creation of Presidential advisers who divide all history into last week and the part they haven't yet had time to read about. The administration's strategy embodied in this request for $100 million is to fight repression with terror, to take an approach that has not worked and to do much more of it.

The administration has found $100 million the Defense Department could spare and decided to spend it not on helping freedom take root in Haiti or Guatemala or the Philippines, not on helping to feed or shelter the hungry and homeless in our own country, not even on helping to retire the debt, but instead to give more than $10,000 per Contra, 10 times the per capita income of Nicaragua, to an exile force that has been fighting for 5 years against a wretchedly poor, incompetent and not particularly popular government.

One of Lewis Carroll's characters, Mr. Chairman, told Alice that "if I tell you something three times, then it is true." But no matter how many times officials of this administration say it, the fact is that the leadership of the FDN is not fighting for freedom but instead for the restoration of personal privilege and power inside Nicaragua.

If they were in truth freedom fighters, neither they nor their allies in Washington would have to claim that title so often or so loudly. This clique remains after 5 years of U.S. support, brutal and cynical sychophants, reminiscent not of Sandino but of Somoza, at home far more in Miami, than in Masaya, embraced by the Heritage Foundation but kept at arm's length by their own people.

The fact is, Mr. Chairman, that U.S. policy toward Nicaragua will continue to fail as long as it remains simply a U.S. policy. We do not have the support of Latin American democracies for this policy and it is foolish to expect Latin American governments to respond to our concerns about Nicaragua if we do not respond to their's about international law, especially the principle of nonintervention, and if we insist on supporting anti-Communist forces simply because they are anti-Communist, whether they embrace democratic and socially progressive values or not. We face no threat from Nicaragua that cannot more readily be countered with a policy having regional backing, than by the failed unilateral measures of the past 4 years, to say nothing of the past 60 years.

We need not fear to listen to our democratic friends in Latin America, nor should we question their motives, their honesty, or their courage. They are, on the contrary, this hemisphere's greatest strength. It is on their side we should come down; it is in them we should place our trust and support; and it is in alliance with them that we should reject this request for military aid. Mr. Chairman, Winston Churchill observed once that the only thing we learn from history is that we don't learn anything from history. For God's sake, just this once, let us learn a lesson from our own history, and not repeat once again the tragic and futile cycle of United States intervention in Central America.

And let us also learn what we should have learned so many times in the past, that you cannot sustain a foreign policy and a democracy without the support of the people of that democracy. And I urge the rejection of the resolution.

Chairman FASCELL. Mr. Leach?

Mr. LEACH. Thank you, Mr. Chairman.

I think frankly rather surprisingly, there's a great deal of consensus on goals in the region, and what's lacking is any consensus on means. And it's my intention to vote no in this assistance package, because I'm concerned in the first instance that we haven't ourselves conducted a foreign policy consistent with international law, and at its inception consistent with domestic law, and because the civil war that we are partially responsible for sparking involves atrocities on both sides in what appears to be an escalation rather than descalation of violence in the region.

On issues of means, and I think if we all remember in the 50's and 60's, there was in foreign affairs always a great question: what is the difference between ends and means, and if we can agree on an end, we still have to ask what are the appropriate means. It's fair to ask what the tradition of the United States of America is in foreign policy and whether we are following a policy consistent with our traditions.

In this regard, I think the traditions of the United States are threefold in the developing world. One is that we respect the rule of law; second, that we support noninterference in the affairs of other states, and thirdly, that we have a preference for negotiated rather than violent solutions to problems.

And from this perspective, it strikes me that the policy that we've inaugurated, and that we're asked to support with another $100 million, is contrary on all three points. And therefore, I think this Congress has no choice but to balk at this request, and proceed in another manner.

Finally, just let me say it's not clear whether an alternative will be presented on the House floor, but if one is presented, I would be hopeful it would include a requirement that the administration rescind its announced intention to withdraw from the jurisdiction of the World Court in political matters, a policy that becomes effective early next month, and about which this Congress has taken no substantive stand. I think it would be appropriate in an alternative if it is developed, that the issue be addressed.

Thank you, Mr. Chairman.

Chairman FASCELL. Mr. Weiss?

Mr. WEISS. Thank you very much, Mr. Chairman.

I will be very brief. Through a series of subterfuges which began with the pretense that we were arming former Somoza people and others in Nicaragua to interdict arms shipments to El Salvador, through the pretense that they were only being supported to pressure the Nicaraguan Government, we're now at a position where we're supporting a group intent on overthrowing the Government of Nicaragua.

And there's been reference this afternoon to discussion of this morning's meeting with the Secretary of State, and I think that we have to be extremely concerned about where this policy of military assistance now will take us. His position has been that we cannot abandon the Contras in Nicaragua because to do so would place them in a position of being demolished.

OK, so we give them $100 million now in arms and they don't succeed, and then next year, we give them $100 million more, and they don't succeed and then they ask for air cover and they don't have the pilots to run that, so we do it, and they still don't succeed, and the next thing we know, we're in there in full force militarily. That's the path that this request takes us down, and that's why the American people and the other Latin American countries have opposed our military solution to this problem.

And that's why we ought to defeat this request for additional moneys.

Chairman FASCELL. Mr. Smith?

Mr. SMITH of Florida. Thank you, Mr. Chairman.

Mr. Chairman, earlier today Mr. Barnes said, and I quote, "there's not one of us who want to see the Communists succeed." I just wanted to say that I fully agree with that, but the sad fact of the matter is that the Communist Government of Nicaragua is succeeding and may be given a substantial boost if a meaningful aid package to the freedom fighters is not approved.

Despite our highest hopes and our highest expectations, in the late seventies and early eighties, the records of the Sandinista dictatorship have been shameful. Since 1979, they have systematically and ruthlessly consolidated their power and control. They have trashed fundamental human rights; they have executed thousands of their countrymen, and they have practiced genocide against the Miskito Indian minority, and they have persecuted the Catholic Church and other religious bodies.

Other freedoms, including the freedom of the press, simply do not exist in Communist Nicaragua. Internal repression is bad today, and it's growing worse. The Red Cross reports that the number of political prisoners today is between 7,500 and 10,000, and one of the most repressive instruments today of control is the Sandinista Defense Committee which are neighborhood committees organized to spy on neighbors and to keep people in line. Tomas Borge has called the some 10,000 CDS's the eyes and the ears of the revolution.

Mr. Chairman, is there any member of this committee who doesn't acknowledge that the people of Nicaragua are the victims of a Communist police state? I dare say not. In addition to the internal repression, Mr. Chairman, Nicaragua poses a threat to its neighbors that simply cannot be overstated. Junta members including Tomas Borge have said, and have made it very clear, that the Communist revolution extends far beyond its own borders.

I would note that Congress, as early as last year, pointed out in the Internal Security and Development Cooperation Act of 1985, that the Government of Nicaragua, and I quote:

> Has flagrantly violated the security of the nations in the region in that it has committed and refused to cease aggression in the form of armed subversion against its neighbors in violation of the Charter of the U.N. and the Charter of the Organization of American States.

The Kissinger Commission also concluded that Nicaraguan threat to its neighbors was compelling. To briefly quote one paragraph from that Commission report, it's stated and I quote:

> The Commission encountered no leader in Central America including democratic and unarmed Costa Rica, which did not express foreboding about the impact of a militarized totalitarian Nicaragua on the peace and the security of that region. Several expressed the view that should the Sandinista regime now be consolidated as a totalitarian state, their own freedom, and even their independence, would be jeopardized.

Mr. Chairman, the aid package before us is an attempt to provide at least some meaningful help and assistance to the freedom fighters who are committed to democratic ideals and fundamental freedoms. I know that there will be some here today that will argue that we ought to wait just a little longer before providing aid.

Well, I too have some hope that the Contadora process may eventually yield some results. I think that it's more realistic to believe that the real pressure on the Communists, real pressure, is more likely to get them to negotiate. I would remind my colleagues that we suspended military aid in June of 1984, and we waited and we hoped and we waited, and the Sandinistas responded by bringing in more and acquiring more military hardware from the Soviet Union and by refusing to negotiate with the freedom fighters.

Finally, Mr. Chairman, just let me say that in the March 10 issue of the New Republic, Arturo Cruz has made a very wise and some insightful comments, and I would just share one of his insights with the committee. And he said "the Sandinistas are confident that the Congress will not support military aid at a time when the diplomatic game called Contadora appears to be undergoing one of its cyclical resuscitations."

Ladies and gentlemen, I believe the time has come to approach this issue with more realism. If we refuse to face the truth concerning Managua's true intentions and its true goals in Central America, there is a real chance, Mr. Chairman, that Central America will grow incrementally more Communist while we cling to very well meaning straws of hope and fanciful sentiment as we play the waiting game.

I yield back the balance of my time.

Chairman FASCELL. Mr. Garcia.

Mr. GARCIA. Thank you, Mr. Chairman. I'll try and be as brief as possible, as well.

I believe that the issue is really how can we support change in Nicaragua and at the same time, bring stability to and firmly institute democracy in Central America. I honestly don't believe that the Contras will be able to do that. Even if they won their war, there would still be an insurgency on the part of the Sandinistas, and the fighting will continue. Our best hope is to be supportive of regional peace initiatives; initiatives that come from the people of Central America themselves.

For example, if we took that $100 million, and divided it equally among the nations surrounding Nicaragua, we could show that these countries through economic development are moving forward. That in itself, as far as I'm concerned, will go a heck of a lot further in offsetting what is happening in Nicaragua today. I believe very strongly in the Contadora process. I also believe what President Oscar Arias Sanchez recently said on a national network television show, that the best way we can help in Central America is by helping the ailing economies of the nations of the region. By supporting and backing the rebels, we're going to once again alienate our friends in Central America.

What we did in Haiti and what we did in the Philippines was positive. How could we be so right in two places, two distant parts of the world, and be so wrong in Central America? For those of us in this room who have had the opportunity to understand what war is, I can tell you that we're not going to go anyplace by supporting the Contras. I hope that this resolution be defeated.

Mr. DORNAN. Would the gentleman yield?

Chairman FASCELL. Mr. Dornan is recognized for 5 minutes.

Mr. GARCIA. Would the gentleman yield?

Mr. DORNAN. For 5 seconds?

Mr. HYDE. Yes. Well, I think we have a new slogan here today: Give surrender a chance.

Mr. DORNAN. Well, I was going to ask the gentleman from New York to yield on one point, and I'll gladly yield back to him.

You mentioned what took place in Haiti and in the Philippines. Why did you not add Grenada?

I yield to the gentleman.

Mr. GARCIA. The situation in Grenada is different than what happened in both Haiti and in the Philippines. In both situations, it was peaceful transition. In Grenada, we had armed forces invading. I believe that we can accomplish as much in a peaceful manner in Nicaragua as we did.

Mr. DORNAN. Well, I thank the gentleman for elaborating his comment and I would recommend to you for reading, a brilliant gentleman who writes in the city of my birth and your home town, Mr. Irving Kristol. He wrote, in Monday's Wall Street Journal, "Now What for U.S. Client States," about all three states: Grenada, Haiti, the Philippines, which concerned all of us on this committee and which turned out in a very positive way. He also included Grenada because we now have, whether we want it or not, or like it, an obligation to help the new government succeed. I can't subscribe to everything Mr. Kristol suggests because it's so new to me, I'm still trying to comprehend what he means, for example, by "full and open immigration," with these countries, similar to what we do with our U.S. territory of Puerto Rico.

He points out that we, for good or evil by whatever circumstance, now have sort of an obligation to help Cory Aquino succeed, to help form some sort of democratic process in Haiti. When we see good Grenadan citizens in our own language calling our President "Uncle Ron," we certainly have some obligation in Grenada, because of the use of military force, as we invaded France in the name of helping France on D-Day of 1944.

Now, I'd like to read a quote from one of the nine comandantes in Nicaragua. Another one of the nine Communist Sandinista leaders who never heard a gunshot fired in anger, unless they were robbing a bank, is Bayardo Arce. He said, in the New York Times, on September 12, 1983, "We will never give up supporting our brothers in El Salvador."

He's talking about his Communist brothers fighting to overthrow the government of a truly elected gentleman, President Jose Napoleon Duarte, who is always well received and embraced warmly in the United States. I mean physical hugs, by both sides of the aisle. Steve Solarz and I rush to see who can give Jose Duarte a bear hug first. In America he would be considered a liberal Democrat.

He's a Notre Dame graduate, just like Phil Donahue of New York. When Mr. Duarte faces Bayardo Arce's "brothers," he sees individuals who are trying to kill him, who have kidnapped his daughter, mercifully she was released, along with a lot of hardcore Communist terrorists released as her ransom. I would like to let everybody know, in case it's escaped your ken, where Bayardo Arce is today, this very moment.

Probably in bed, but in a few hours, he will arise, travel to the Kremlin from his Moscow hotel, and will again issue statements in the name of the Communist Government of Nicaragua about how wonderful he thinks the spread of communism is around the world.

Well, no matter whether its Tomas Borge, or Bayardo Arce or that whole gang of nine comandantes, we have seen a Communist colony established right here on the continent of North America. The only thing we can discuss is what stage of development this colony is in. Is it going to turn into fortress Nicaragua with a sea level canal that by the turn of the century will see not SAM-5's and -10's, but whatever the next generation is, SAM-15's or -25's, guarding their Communist canal. Then, each year, incrementally the Soviet Union will say, we have a right to fortify Nicaragua under the theory of self-defense.

Now, I agree with this lowering of rhetoric and I think that there can be something positive come out of this debate, but I'm waiting to hear from the other side of the aisle. Where do they want us to go beyond the Contadora process which our Secretary of State has convinced me breaks down by a vote of everybody against Nicaragua everytime they meet now?

Nicaragua quite logically does not want to touch the Contadora process when they believe they are within a few months of victory. June is their stated date that has now leaked out of all those secret intercepted documents. By June, they intend to have annihilated, with Soviet HIND helicopters, flown by Cuban pilots, every single Contra freedom fighter in that country.

Why should they concede anything, when they feel they can win militarily? And they certainly will do that if we fail to help the Contras.

Now, I do not think there's anything unpatriotic about a policy of isolationism for our country. I think its wrong-headed; I think it's foolish; I think it flies in the face of history. But it was members of my party, my party now, back when my family was a typical first generation Irish Democratic Party in Lower Manhattan, all the country club senators of my party called for a policy of isolationism.

They put up George Washington's picture all over the country, called for no more foreign entanglements. Nobody suggested it was unpatriotic; as a matter of fact, they suggested foreign entanglements might be unpatriotic. If the Democratic Party wants to pull back to the Rio Grande, to fortress America, nobody will question your patriotism, just your judgment.

If you come up with something more innovative to use the French diplomatic language, a cordon sanitaire, to just isolate Nicaragua with a Contadora prosthesis that says, you're hardcore Communists; there's nothing we can do except freeze you out. There's nothing unpatriotic about that, but is it going to work?

I'm sorry, Mr. Chairman. I did not see the red light button.

But to yield back to a further floor debate which I think we can conduct in a positive gentlemanly manner on the issues, I await your suggestions as to where we go from here under your plans, not just telling us where we're going to go if Ronald Reagan's policies fail.

Thank you.

Chairman Fascell. The gentleman's time has expired.

Mr. Kostmayer?

Mr. Kostmayer. Mr. Chairman, I apologize to my colleagues for lengthening the afternoon. I'll speak just very very briefly.

All of us obviously share a common revulsion at the Sandinistas. They have been a bitter bitter disappointment and they have betrayed the revolution for which we had such hope in the summer of 1979. But it seems to me, Mr. Chairman, that that's not the issue. The issue is not the conduct of Nicaragua or the conduct of the Sandinistas. The issue is America's conduct.

America's standard and America's behavior in Central America is the issue with which we ought to be very directly concerned. This policy clearly cannot work; $100 million is not enough to crush Nicaragua; it serves only as bait to attract more Soviets, more Cubans, and more repression.

In my own view, Mr. Chairman, with all due respect for my colleagues on the other side who disagree, this administration has never really seriously pursued negotiations with the Nicaraguans. And again the conduct of the Sandinistas when it comes to negotiation is not really at issue. I believe the enormous power and strength of our President could bring the Nicaraguans to the bargaining table by tomorrow if he seriously wanted to.

One of the most disturbing aspects of this debate Mr. Chairman, has been the human rights violations by the Contras. In this morning's New York Times, Edgar Chamorro, the former leader of the FDN, was quoted as saying,

> The Contra military force is directed and controlled by officers of Somoza's national guard who fought at the dictator's side until the very end when they fled to the Honduras.

He goes on to say, and I quote,

> Hundreds of civilian murders, mutilations, tortures, and rapes were committed in pursuit of this policy which the Contra leaders and their CIA superiors were well aware of.

I don't believe, Mr. Chairman, that this is a policy that should be sustained with American tax dollars. The good name of the United States of America is at stake and it will be severely sullied if this legislation is agreed to.

The Sandinistas and the Contras deserve each other; we deserve neither; we should negotiate a conclusion to this war. $100 million will only widen the war and deepen the conflict. Foreign policy should not be made from the Pentagon, Mr. Chairman. It should be made from the State Department.

Thank you.

Chairman Fascell. Mr. Solomon?

Mr. Solomon. Mr. Chairman, I'll try to be brief too. Earlier today, rather than tell you my feelings, I talked about the feelings of the grandson of Augusto Sandino, for whom the Nicaraguan revolution was named. That grandson had been imprisoned by the Sandinistas for 3½ years for speaking out against the inhumane Sandinista Government and how they exported revolution and how they exported terrorism and how they dealt in drug trafficking.

Rather than tell you my feelings for the remainder of my time, I think I'd like to just tell you the feelings of another Nicaraguan. His name is Jose Baldizon, and he was a Nicaraguan police officer who supported the Sandinista revolution. He supported it because he believed in it. And after taking a 10-month criminal course from the Soviet Union, Baldizon was assigned to several posts in the Sandinista regime concerned with police investigations and economic reconstruction.

He was personally selected by Tomas Borge in early 1983 to chair the newly established Special Investigation Commission of the Ministry of Interior. This group was established to discredit and deflect criticism being made by the Inter-American Human Rights Commission about human rights abuses by the Sandinistas. As the ranking Republican on the Human Rights Subcommittee, I have spent a great deal of time talking to this gentleman and to others about this situation.

Baldizon chaired that commission for 2½ years until he, like a lot of others, defected in July of last year. And aside from his charges about drug trafficking by Borge, Baldizon makes these indictments against the Sandinistas. And this is really what we're talking about here today. Why are we involved with the Contras.

The Sandinista regime, and my good friend from Philadelphia was just talking about this, authorized the assassination of political opponents and about 700 to date have been killed. The Nicaraguan Permanent Commission on Human Rights was taken over by that same regime in 1981. All of the Commission's records were destroyed, and that's not me saying that that's human rights organizations throughout this world, and Mr. Baldizon who headed it up.

Mr. KOSTMAYER. Will the gentleman yield?

Mr. SOLOMON. I will, when I'm finished. I'll be glad to.

The Sandinistas have been engaged in a systematic campaign to brutalize and do away with the Miskito Indians. Now, he was a part of it. He was ordered to do it. The regime is actively involved in the training of Costa Rican guerrillas who are trying to destabilize that democratic country, another good democratic country.

The Sandinistas use mob violence to break up the political meetings of those in opposition to them. That still have the courage to meet. And many convicted criminals have been given positions in that regime today. These people are primarily used against the regime's opponents. Illegal break-ins, and surveillance are commonplace. Thievery and drug abuse are rampant among the regime's employees in the hierarchy, and it goes on and on and on.

The Sandinistas use elaborate propaganda charades to manipulate American visitors, particularly church groups, many of them from my district. Borge, for example, greets visiting churchmen in an office that's festooned with liturgical symbols and religious art. But when he goes into his back room, into his main office behind their backs, he contemptuously, Mr. Baldizon says, refers to these people as "useful fools." He actually works in his office in a room that is filled with Marxist and Leninist photographs and books.

A totally athiestic society! That's what we're talking about, ladies and gentlemen. I hope that all of you are going to attend a meeting by Congressmen Larry Smith and Ben Gilman, who head up the Task Force on Drug Abuse, when this same gentleman, Mr. Baldizon, will come in next Tuesday, before the final vote on the floor of this House. Maybe, just maybe, some of you will change your mind when you see what those people, those Nicaraguan Sandinistas are doing and will do in the future to your children and mine.

That's why you ought to be voting for this legislation today.

Thank you.

Chairman FASCELL. Mr. Mica is next.

Mr. MICA. Thank you, Mr. Chairman.

It's been said that everything that can be said has been said, and I hate to disagree with my colleagues, but let me just say something that I think hasn't been said.

We aren't changing any minds here and the outcome of this vote today is essentially meaningless. The opportunity we have to speak today is helpful and we will get off our chest our feelings. But whether we vote for this resolution or against it, whether it wins or loses, it will be on the floor for an up or down vote very shortly.

I'd just like to say to my colleagues, we are the Foreign Affairs Committee of the U.S. Congress and the failure of the policy of America in Nicaragua is our failure, too. None of us, not one member of this committee, supports what the Sandinistas stand for and are doing.

We're sitting here arguing about two options on which most of us have already made up our minds a long time ago. But neither option can be realistically pursued for the next 3 years in a lame-duck administration or an administration that's going to change.

A 51–49 vote on the floor of the House; 51 percent is not a foundation for legitimate foreign policy for 3 years. And it can shift, and it will shift back and forth. We Democrats have had our way for the last few years; Republicans have had their way. I'd just make one plea for a little different approach here, that after the vote here today, whether we win or lose it, we begin to look for an alternative with which we can start to come together, some approach where we can say, "let's agree for the good of America." I've already started talking to several dozen Members. Today's vote isn't going to be the final vote.

Today's vote and the vote on the floor of the House will just be the beginning of a brandnew battle, and we'll go back to the two strong sides that totally disagree with each other. So I intend to offer an alternative; I've spoken to six people; I have six individuals who'd be willing to look at that alternative and probably support it. I think it can be done, but unfortunately, and as we told Secretary Shultz this morning, the level of rhetoric between the leaders of both parties has put us in a position where we're just digging in our heels on both sides.

So I don't want to beat a dead horse, but this is the beginning; this is not the end, and I hope you'll think about this after we cast this vote.

Mr. BEREUTER. Would the gentleman yield?

Mr. MICA. I'd be happy to yield.

Mr. BEREUTER. Thank the gentleman from Florida for yielding. I want to commend the gentleman for his remarks, for his approach. If we are to have any success in assisting the return of democratic institutions to that part of Central America, we have to have a consensus that is strong enough to be a sustaining consensus, one that will enable those people who understand the difficulties and the abuses that are being pursued in that country, to stand up and be counted and say the same things publicly that they're willing to say to us privately.

So you can count on this Member to join you in attempting to find some solution that will lead to the consensus necessary to sustain our policy for Central America. I'd like to join the gentleman in his effort.

Chairman **Fascell**. Mr. Wolpe?

Mr. **Wolpe**. Thank you, Mr. Chairman. First of all, I'd like to ask unanimous consent that a statement of Congressman Mel Levine be entered into the record at this point.

Chairman **Fascell**. Without objection.

[Mr. Levine's prepared statement follows:]

PREPARED STATEMENT OF HON. MEL LEVINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, we have before us the Administration proposal regarding funding for the Contras. This proposal would make available $100 million for that purpose by transferring the money from FY 1986 Department of Defense appropriations.

$30 million of this total would be for so-called "humanitarian" assistance, which would more properly be labeled "logistical" assistance. $70 million would be used for, as the Administration proposal says, "any kind of assistance [the President] deems appropriate, using whatever agencies he desires..." Both the CIA and DOD would be able to carry out the President's plans.

Mr. Chairman, for five long years President Reagan has been pursuing a misguided, dangerous policy with respect to Nicaragua, and indeed all of Central America. Relying on military solutions, he has sought at every opportunity funds to pursue this policy. In doing so, he has chosen blindly to neglect the root causes of the problems - political repression and economic exploitation - and he has done nothing to bring about peaceful change. Notwithstanding his protestations to the contrary, President Reagan has not supported in any meaningful way efforts to resolve the problems peacefully, through diplomacy and negotiation.

It is with respect to Nicaragua that the President's policy has been most dangerous. Last year the President was successful in convincing Congress to approve $27 million in logistical aid for the Contras. Just how this money is being used is in itself unclear, as we know. Just yesterday The Washington Post reported that Congressionally required State Department audit controls over this aid to Nicaragua "cannot verify actual delivery or receipt of items" in the field because the Department "does not have procedures and controls which would allow it to provide these assurances." Now the President is asking Congress to give him virtually a free hand in how he will spend $100 million of the American taxpayers' money.

Mr. Chairman, I strongly oppose giving even one cent to the Nicaraguan Contras - for any reason. President Reagan has repeatedly disavowed any intention of sending US troops to Nicaragua. But the logical result of his policy leads us to a contrary conclusion. The logical result of his policy is direct military involvement in Central America - something which would be disastrous and something which I reject categorically.

There is no question in my mind that President Reagan's policy will never lead to peace, democracy and economic renewal in Nicaragua. To the contrary, his policy has served well the Sandinistas by further entrenching them, by driving them closer to the Soviet Union and to Cuba, and by causing them to adhere more rigidly to their Marxist-Leninst ideology. President Reagan can not point to any successes his policy has achieved.

Mr. Chairman, all of us want to prevent the Soviet Union and its allies from exploiting the regional crisis in Central America. We all would find unacceptable the establishment of Soviet bloc military bases or the deployment of troops in Nicaragua or anywhere in Central America. Clearly, we must protect our own interests. But President Reagan's policy has not brought us any closer to achieving our goals in Central America, and certainly not in Nicaragua.

There is an alternative policy, however, and one which has not been given the chance to succeed. It is the resolution of Nicaragua's and the region's problems through peaceful means - through the Contadora process. It should not be the policy of the United States to overthrow the Nicaraguan government, or to provide military assistance to insurgents fighting against it. On the contrary, greater diplomatic efforts should be made, both through Contadora and bilaterally, to resolve the conflict between Nicaragua and the United States.

Sustaining the Contras is a no-win proposition, not only for the United States, but for Central and Latin America. Sometimes we forget that the countries in the region have at least as much at stake as do we, and our policy has been soundly criticized by those countries. We have a responsibility to do all we can to try to alleviate the regional problems, and to work with those countries to bring about a peaceful solution to the complicated and long-standing problems.

In closing, I would like to make one final comment, and it is about the Contras' human rights record. The Washington Office on Latin America recently released a report which concludes, "The preponderence of the evidence indicates the continuation of a systematic pattern of gross violations committed by contra forces...The presence of contra troops in a given locale seemed to give rise to a pattern of indiscriminate attacks aginst civilian targets, kidnappings, rapes, assassinations, mutilations and other forms of violence."

Mr. Chairman, this report, added to the factors I have already mentioned, leads me to conclude that President Reagan's policy will never help the United States to either fulfill our policy goals or enable the countries of Central America to resolve their conflicts.

I strongly oppose President Reagan's request for $100 million in aid for the Contras, and I urge my colleagues to oppose it as well.

Thank you.

Mr. WOLPE. Mr. Chairman, I'll be very brief. Let me just say that I'm convinced that there is virtually no action this Congress could take that would do greater damage to American interests in Central America that would contribute more to the strengthening of the Sandinista regime and the excesses of that regime, and that would provide more explosive material for Soviet and Cuban propagandists than to approve this request for $100 million in funding for the Contras.

I would hope that members of this committee and my colleagues in the Congress, would consider the views of those countries in the region that have really the most at stake and are closest to the conflicts. Eight Latin American countries, Brazil, Argentina, Mexico, Venezuela, Colombia, Peru, Uruguay, Panama have pleaded directly with the administration to stop our involvement with the Contras and to support their efforts to negotiate a reasonable solution to the problems in Central America.

They have not made these entreaties to the United States because they are pro-Sandinista; they are as uncomfortable as we are with the violations of human rights, with the absence of democracy, with all that the Sandinistas represent. But they are telling us that the policy of support for the Contras, the leadership of which has nothing in common with our democratic values or aspirations, is a sure-fire formula for disaster.

It will intensify the bloodshed, but it will do nothing to generate the conditions necessary for peace and democracy. The comment has been made earlier that the language in this debate has been terribly debased and I hope that we all will consider that in terms of the kinds of characterizations that have been made of those who we profess to be fighting. We seem to have to change the language or apply new labels to the terrible reality in order to make it palatable.

We call people freedom fighters who are closely identified with one of the most repressive brutal dictatorships that has ever existed within that region, the Somoza regime. When will we learn that that is not the way of enhancing democracy or democratic values or American interests?

Thank you.

Chairman FASCELL. Mr. Siljander?

Mr. SILJANDER. I find all the rhetoric and the discussion about this particular issue rather incredible. I think it comes clearly down to a simple principle. Do we in America allow a Soviet empire to continue to build a colony in our own backyard, based on a system of dictatorial totalitarian government institutions? Oh, yes, they did have elections. I suppose the elections in Nicaragua would probably make Marcos' elections look like the local PTA balloting. They do exterminate Indians in northeast Nicaragua, the Miskito Indians; they persecute the church. They did turn a beautiful synagogue into a boys' club in downtown Managua. They torture political prisoners. There are none of the freedoms that they promised before the OAS.

And yes, why are all the troops there? Why the foreign troops in Nicaragua? The Cubans, the Soviets, the East Germans, the Bulgarians, the Czechs and so many others, the litany goes on.

But I suppose that the Ayatollah Khomeini is there, and Qadhafi, helping the PLO find a homeland. Maybe that's why there are two Palestinian bars that cater in Managua exclusively to Palestinians. The subversion is obvious. They are there to exploit that subversion throughout the hemisphere and destabilize the United States. As soon as the first terrorist bomb blows from southern California, Texas, Louisiana, or anywhere else in the United States, there will be the greatest outcry of the American people: "Why didn't we do anything in the beginning?" Then it'll be up to us to commit our incredible billions and resources and our troops that are on board.

A little preventive maintenance is quite practical. Can we solve the problem? Can Contadora solve the problem? Mr. Speaker, I'd ask for unanimous consent to put a backgrounder dealing with the Contadora process by The Heritage Foundation in the record, including my remarks.

Chairman FASCELL. Without objection.

[Backgrounder, The Heritage Foundation, follows:]

The Heritage Foundation Backgrounder

No. 493 | The Heritage Foundation 214 Massachusetts Avenue N.E. Washington, D.C. 20002 (202) 546-4400

The Arthur Spitzer Institute for Hemispheric Development

March 5, 1986

IN CENTRAL AMERICA, A DISMAL RECORD FOR THE CONTADORA PROCESS

INTRODUCTION

As the debate over U.S. aid to the Nicaraguan democratic resistance intensifies, the "Contadora Process" is receiving renewed attention.[1] Many opponents of U.S. military aid to the resistance contend that the U.S. should negotiate instead and that Contadora offers the only real hope for peace. Thirty-one Democrat Congressmen sent that message in a letter to the White House in January, arguing that U.S. assistance to the Nicaraguan democratic resistance "undermines" the Contadora Process, and hence, that the President should not request renewed assistance for the freedom fighters until the Contadora nations were given one last chance to achieve peace.[2]

But the efforts of the Contadora Group should have nothing to do with a U.S. government decision to resume aid to the resistance fighters in Nicaragua. To argue otherwise is to fall into what one analyst calls "the multilateral fallacy"--"the idea that for American foreign policy it is not only unwise, but somehow illegitimate, for the U.S. to act without allied support."[3] The United States has

---

[1] The "Contadora Process" refers to the Central American peace talks begun in January 1983, brokered by Colombia, Mexico, Panama, and Venezuela.

[2] Letter from Representative James Slattery, et al., to President Reagan, January, 1986.

[3] Charles Krauthammer, "The Multilateral Fallacy," The New Republic, December 9, 1985, p. 18.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

vital national interests at stake in the Central American conflict, which will directly affect its ability to meets its commitments around the world; the Contadora Group nations do not have such responsibilities. This fundamental difference in the posture of the two camps leads necessarily to the conclusion that U.S. policy should be decided wholly and unapologetically on the basis of U.S. interests and objectives, irrespective of Contadora Group criticisms.

The trouble is that the notion that U.S. assistance to the democratic resistance undermines the Contadora Process is illogical. This argument does not recognize the inextricable link between military power and successful diplomacy: that, in Clausewitz's famous dictum, war is the continuation of politics by other means.[4] The idea that a group of four weak nations whose only sanction is international public opinion could change the policies of a communist regime ignores the hard lessons of history. What is needed instead is a sustained combination of diplomatic, economic, political, and military pressure to force Nicaragua's Leninist regime to liberalize its policies domestically and stop subverting its neighbors.

Even if the Contadora Process were in principle the perfect avenue for such pressure, there would still be serious questions about the integrity of the Process. In the time between November 1985 and January 1986, the Contadora Group missed a deadline for signing a treaty, extended it another month, decided to suspend the talks for six months, and then issued a call for an immediate resumption of the talks. This erratic behavior illustrates that the Contadora nations are uncertain about their own goals and methods.

As Congress debates renewed U.S. military aid to the Nicaraguan democratic resistance, therefore, doubts are mounting about the viability of the Contadora Process. A Central American peace treaty is as elusive now as it was when the Contadora Process began. It is fair to ask whether the Contadora nations are sincerely interested in Central American peace, or whether they merely are concerned with keeping alive a dying negotiating process.

Some observers argue that there are only three alternatives to Contadora: regional war, a U.S. invasion of Nicaragua, or both. There is, however, a fourth option: the Organization of American States. The OAS is the world's oldest international organization. It has a long history of successful mediation efforts. It has resources available which the Contadora Group lacks. Moreover, as the regional organization for the Western Hemisphere, it has the direct responsibility to deal with the crisis in Central America. If the opponents of renewed U.S. aid to the Nicaraguan resistance want to continue a diplomatic effort to achieve peace in Central America, they would recognize the shortcomings of the Contadora Process and instead push to have the negotiations moved into the OAS.

---

[4] Lenin rephrased it: politics is the continuation of war by other means.

RECENT PROBLEMS WITH CONTADORA

When the Contadora Group ministers presented a September 1985 draft treaty to the Central Americans for discussion, they announced first, that a meeting of ambassadors would be held, beginning on October 7; and second, that this meeting would last no longer than 45 days. After 45 days, they said, they would convene a joint foreign ministers conference to sign the document.[5]

Eight days before the final round of talks was scheduled to begin, Nicaraguan dictator Daniel Ortega rejected the draft treaty. He claimed that Nicaragua could not sign and abide by any such treaty as long as the U.S. was funding the Nicaraguan freedom fighters. He made no mention of Nicaraguan support on a much larger scale for communist guerrillas throughout Latin America.[6]

The meeting broke up following a major argument on whether or not to continue the talks. A decision was made to extend the deadline for another 30 days.[7]

Over the following two weeks, there was a flurry of diplomatic activity, as the Contadora Group and Central American ministers flew to New York for the United Nations General Assembly, then to Cartegena, Colombia for the OAS General Assembly. While the ministers were in Cartegena, the Mexican government announced that it was "cutting back on its activist role in Central America", because it was frustrated by the lack of progress in the peace talks.[8] Since the start of the Contadora Process, Mexico had been the Nicaraguan regime's in-house defender; its decision to decrease its role would have a damaging effect on Nicaragua's interests.

Further, there was a major diplomatic flap between Nicaragua and Colombia, as the Colombian government recalled its ambassador to Managua and considered breaking diplomatic relations entirely with

---

5. "Contadora Foreign Ministers Meeting Concludes," FBIS, Latin America, p. A2.

6. "Ortega Outlines Position on Contadora," FBIS, Latin America, pp. P12-22.

7. "Ministers on Nicaraguan Rejection of Peace Plan," FBIS, Latin America, November 12, 1985, p. A1.

8. Robert J. McCartney, "Quest for Peace Is Renewed in Central America," The Washington [illegible], November 20, 1985, p. A27.

Nicaragua. The reason: the Sandinistas' undeniable role in the November assault on the Palace of Justice in Bogota by Colombian M-19 guerrillas.[9]

THE CARABALLEDA INITIATIVE

With these two diplomatic body blows, the Sandinista regime asked the Contadora Group last December for a six-month suspension of the negotiations.[10] Then just over a month after they accepted Nicaragua's request to suspend the discussions until this May, the Contadora Group ministers were meeting again, in Caraballeda, Venezuela, with the four Contadora Support Group foreign ministers.[11] Following the conclusion of these January 11 and 12 meetings, the ministers released the text of the "Caraballeda message for peace, security, and democracy in Central America."[12]

The Caraballeda message summarizes the fears and hopes of the Contadora ministers: "In the face of the growing threats against peace in Central America and in view of the risk of a diplomatic vacuum that would worsen tensions in the region, it is urgent and necessary to boost the process of negotiations...The process of negotiation must lead, as soon as possible, to the signing of the Contadora document for peace and cooperation in Central America, the only means for achieving a general political understanding that would allow a respectful, peaceful, and productive coexistence among the countries of the region."[13]

In other words, the Contadora nations knew matters were slipping away from them. The Sandinistas had imported massive amounts of arms and personnel from the Soviet Union and Cuba through December and nuary, convincing some experts that Nicaragua was just using the negotiating process to buy time until they could arm themselves.[14]

---

[9] After the assault was over, Colombian authorities traced half the weapons used by the guerrillas to the Sandinista regime. Moreover, Nicaraguan Interior Minister Tomas Borge, known as one of the most ardently pro-Soviet of the nine Sandinista commandates, attended a memorial service for the dead guerrillas, adding salt to the wound.

[10] "Astorga, Consalvi on Contadora Postponement," FBIS, Latin America, December 10, 1985, p. A4.

[11] The Contadora Support Group is comprised of Argentina, Brazil, Peru, and Uruguay.

[12] "Prensa Latina: 'Text' of Contadora Document," FBIS, Latin America, January 14, 1986, p. 2.

[13] Ibid.

In early February a Contadora delegation travelled to the U.S. to meet with U.S. Secretary of State George Shultz. They urged the U.S. to support the Contadora Process. To demonstrate support, they said, the Administration should 1) to delay its request to the Congress for resumed military aid for the Nicaraguan democratic resistance fighters until after the March Contadora summit and 2) resume bilateral discussions with Nicaragua.

Acting on White House instructions, Shultz rejected their proposal. Instead, he offered "two cards you can use" to bring the Sandinistas back to the negotiating table: The U.S. would be willing to reopen talks with the Nicaraguan communists if they were willing to open discussions with their opposition, and the U.S. would "take into consideration" any change in Sandinista behavior toward its domestic critics.[15]

Four days after their meeting with Shultz, the Contadora ministers travelled to Panama City to meet with their Central American counterparts. Though Venezuelan Deputy Foreign Minister German Navas Carillo called the meeting "the most important moment" for the Contadora Group, the meeting broke up the next day without agreement. The participants, in fact, even failed to agree on the standard mmunique after the meeting. The chief of the Honduran delegation to the talks, Jorge Hernandez Alcerro, blamed the impasse squarely on Nicaragua: "The main obstacle to the achievement of a peace agreement continues to be the closed position of Nicaragua."[16]

THE INHERENT CONTRADICTIONS OF CONTADORA

The Contadora Process has been from the beginning a negotiating process riddled with problems. Even under the best of conditions, the governments involved would have found it difficult to compromise on the fundamental issues that divide the nations; under the spectre of war, those difficulties have been magnified. There are serious questions, moreover, as to whether or not the Process even takes into account legitimate U.S. interests in the region.

---

14. Jeremiah O'Leary and Mary Belcher, "Reagan Opens Campaign for Aid to Contras," The Washington Times, February 19, 1986, p. 1A.

15. Joanne Omang, "Latin Peace Talk Move Vetoed," The Washington Post, February 16, 1986, p. A25.

16. "Contadora, Central American Delegates Meet," FBIS, Latin America, February 19, 6, p A4.

The very notion, for instance, that a regional peace settlement could be negotiated without the U.S. presence at the table is unrealistic. The U.S. is the region's predominant power--militarily, economically, politically, and socially. Yet the essence of the Contadora Process is the idea that the crisis in Central America can be solved in a Latin American context, by the Latins themselves--or, in their words, that it can be divorced from the East-West conflict.

Clearly, this is not possible. The regional crisis became a central part of the East-West conflict when Moscow took the Nicaraguan communist regime under its wing, and then later decided to back Salvadoran communist guerrillas fighting the government of El Salvador. Whether or not the U.S. responded to this interference in what always has been considered a legimate U.S. sphere of influence, the turmoil in Central America was by definition part of the East-West conflict. This fact then calls into question the central premise of the Contadora negotiations.

This premise was then almost immediately contradicted. No sooner had the Contadora Group issued its Caraballeda Message, calling for a "Latin American solution to a Latin American problem," than the Contadora ministers announced that they would visit Washington and Havana to seek the support of the U.S and Cuba for their initiative.

Of course the U.S. supports a negotiated solution to the crisis in Central America. The question is: what kind of negotiations, between which parties, over what issues? The fundamental cause of the crisis in Central America is not poverty and injustice, as the Contadora Group suggests; it is the expansionist nature of the communist regime in Managua, and the ideology of "revolutionary internationalism" that it espouses. Such issues are, for the Nicaraguan communists, non-negotiable--unless one can force the Nicaraguans to negotiate. The Contadora nations, are powerless to force the Nicaraguan regime to do anything.

There is considerable resentment, moreover, in the Central American countries over the composition and thrust of the Contadora Group. Asks an adviser to the Guatemalan government: "Who are the Mexicans and the Panamanians [where "democracy" is virtually non-existent] to teach us about democracy? Who are the Colombians [who have been fighting a communist insurgency for thirty years] to tell us how to handle communist guerrillas? And who are the Mexicans and Venezuelans [who owe, between them, roughly $130 billion to Western banks and governments] to preach to us about how to run an economy?"[17]

---

[17] Interview with the author, February 14, 1986.

THE OAS: AN ALTERNATIVE TO CONTADORA

By announcing a deadline, failing to meet it, extending it one more month, suspending the talks for six months, and then getting back together again five weeks later, the Contadora Group demonstrated the impotence of its entire negotiating process. The aim of the deadline was to pressure the Nicaraguan regime to sign the draft treaty. The Contadora ministers believed that Nicaragua, fearful of a U.S. invasion and reluctant to lose face in the international propaganda war, would rather sign a treaty with which it did not agree 100 percent rather than let it die. But when Managua balked, the Contadora ministers had no mechanism other than international public opinion to press the Nicaraguan communists to sign the treaty. This revealed that the Contadora Process has been little more than a discussion group.

It is for this reason that several nations want to move the stalled talks to the Organization of American States. The treaties forming the OAS legal and political infrastructure contain effective sanctions provisions with which to pressure recalcitrant nations.[18] If the November negotiations deadline had been set within the OAS framework instead of the Contadora Process, something could have been ne after Nicaragua refused to sign.

In addition to availability of sanctions, there is another reason to move the peace talks to the OAS: the OAS itself has a direct responsibility for Nicaragua's internal situation because of its involvement in the downfall of the Somoza government and the Sandinista rise to power.

In June, 1979, the 17th Meeting of the OAS Consultation of the Ministers of Foreign Affairs convened to consider the internal situation in Nicaragua. At the time, Anastasio Somoza Debayle was still in power in Managua, but increasingly was being pressured by the so-called Broad Opposition Front (FAO), which included moderate businessmen opposed to continued Somoza rule and to the communist Sandinistas. On June 23, by a vote of 17 to 2 (with 5 abstentions), the OAS stripped the Somoza regime of its recognition as the legitimate government of Nicaragua; in its place, the OAS recognized the Government of National Reconstruction, made up of members of the FAO and controlled by the Sandinistas.

---

18. These sanctions include: recall of chiefs of diplomatic missions; breaking of diplomatic relations; partial or complete interruption of economic relations or of rail, air, postal, telegraphic, telephonic, and radiotelephone or radiotelegraphic munications; and use of armed forces.

That junta then sent a letter to the Secretary-General of the OAS, promising to respect human rights, establish civil justice, and hold free elections.

Never before had the OAS taken such drastic action. Its effect was immediate: within one month, convinced that no one would support him any longer, Somoza gave up the fight against the Sandinistas. On July 19, they took power in Managua. Thus, the OAS is partly responsible for bringing the Sandinistas to power in Nicaragua and legitimizing their rule.

What is intriguing is that the 17th Meeting of Consultation of the Ministers of Foreign Affairs was never officially adjourned; it merely recessed. This was done to allow OAS nations to have a legitimate instrument to monitor internal developments in Nicaragua. Indeed, Violetta Barrios de Chamorro--one of the members of the originial junta that replaced Somoza--wrote a letter in August 1985 to the OAS Secretary-General, proposing that "the OAS demand that the Nicaraguan government fulfill its previous pledge."[19]

CONCLUSION

The facts are clear: the Contadora Process has had no effect on the behavior of the Sandinista regime. It has not checked the Sandinista military buildup. It has not checked the Sandinista repression of Nicaraguan political and community life. It has not checked Sandinista support for the subversion of Nicaragua's neighbors. Nor has it checked the growth of the relationship between the Sandinistas and the Soviet Union and Cuba.

For the first 18 months after the Nicaraguan revolution, no country was more of a friend to the Sandinistas than the United States. Washington provided five times more aid to the Sandinistas in the first two years after the revolution than it had provided Somoza in the previous two years. Yet the Sandinistas launched a massive military buildup, imported thousands of Soviet bloc military and security advisers, set up a government modelled after Castro's Cuba, and began to subvert their neighbors.

The only reason the Sandinistas have moderated their policies at all is due to the military pressure put on them by the democratic resistance forces. This was admitted by FSLN commander of the revolution Bayardo Arce in a secret speech to the Nicaraguan Socialist rty. He commented that the only reason the Sandinistas wanted to hold the elections they did in November 1984 was to remove a justification for U.S. pressure; absent such pressure, he said, "the electoral problem would be totally out of place in terms of its usefulness."[20]

---

[19] "La Prensa's Chamorro Urges OAS Action of FSLN," FBIS, Latin America, August 27, 1985, p. P14.

Diplomacy without military pressure backing it up almost always has failed. That is the lesson of world history. That is why the Contadora Process at the very best should have been seen as an adjunct to, not a substitute for, a self-directed, self-confident U.S. policy toward Nicaragua. Today, of course, Contadora negotiations appear with little hope and less value. In their place, the OAS offers a better diplomatic forum. It is an appropriate and legitimate venue. It would allow the U.S. to participate. Other Central American states too could be included.

After three years of ups and downs in the negotiations, it is clear that the Contadora Process has achieved all that it is going to--essentially nothing. For peace to be achieved in Central America, pressure must be applied to the Nicaraguan communist regime. This pressure must be military as well as diplomatic: it must include U.S. support for the Nicaraguan democratic resistance, as well as a sustained effort through the OAS. But do the nations of the Western Hemisphere have the will to accept responsibility for the actions they took in helping bring to power the Sandinista regime in 1979? And does e U.S. Congress have the will to take the actions necessary to bring democracy to Nicaragua?

William W. Pascoe, III
Policy Analyst

---

[20] Bayardo Arce, "Comandante Bayardo Arce's Secret Speech Before the Nicaraguan Socialist ty," U.S. Department of State, March 1985, p. 4.

Mr. SILJANDER. And so, Mr. Chairman, I think it's pretty obvious: do we support the efforts and fights for freedom, or do we allow a Soviet colony to continue to exercise its brutal authority in our own backyard?

Chairman FASCELL. I thank the gentleman. I want to thank all members of the committee for the level of this debate.

Do you want to speak?

Mr. BURTON. Yes, I'd like to add just a comment or two, Mr. Chairman.

Chairman FASCELL. Mr. Burton.

Mr. BURTON. Thank you, Mr. Chairman.

One of the things that I'm concerned about is something that we haven't touched on yet today and that is what impact this is going to have on us down the road as far as the children of Nicaragua are concerned.

You know, I've heard a lot of my colleagues talk about Vietnam and trying to make a comparison between what happened in Vietnam and Nicaragua, but one thing they always overlook is what happened there as respects the commitment of the Communist Vietnamese and how they got to that point. General Weyend, our last commanding general in Vietnam was asked why did the North Vietnamese lose 1 million men while we lost 55,000 and our allies, the South Vietnamese only lost 55,000; they lost 10 times as many and yet they kept coming.

And General Weyend said, and I'm quoting him pretty close to exactly what he said, he said, I think it was because of "early ideological indoctrination." They took text books and they showed children how to add and subtract using imperialist soldiers saying if you had six imperial soldiers and three were shot and killed, how many would be left.

If you had six hand grenades and you used three to kill the enemy, how many would be left. Now, every time the Communists take over a country, they send in the teachers first. Now, this revolution was successful in 1979, and then systematically, the Communists Sandinistas pushed out everybody else and took control, and they brought in the Communist teachers.

Now, I've talked about this before but nobody pays much attention. But this is what they are teaching the kids in Nicaragua. Now, if we don't deal with the problem today, our children are going to be facing these kids who are going to be so committed because of this indoctrination that they will not quit, and the loss of life will be unbelievable on both sides.

This need not happen. The people who are fighting for freedom in Nicaragua want their kids to be taught freedom. They want them to be able to participate in a democracy where they can vote. They don't want their kids taught how to kill and how to add and subtract using those things as examples.

And they've had 6 years, 7 years now to indoctrinate these young people. We may have lost a large part of one generation already, and the longer we procrastinate, the more difficult the situation is going to be in the future, because these people are becoming hardcore committed Communists who believe in only one thing, revolution.

And I think that's something my colleagues that we ought to take into consideration. We can quote Mr. Arce, we can quote Mr. Borge, we can quote Mr. Ortega, we can go on and on and on, but I think all of us know the issues and the arguments on both sides.

But I hope you'll consider, before you vote, on the March 19 and before this House, what they're teaching those kids down there and what we're going to have to be involved in at some point in the future in defeating people who are indoctrinated in this manner.

I yield to my colleague, Mr. Hyde.

Mr. HYDE. If I could just for 15 or 20 seconds, Mr. Chairman. In commenting briefly on my friend, Mr. Studds, whose statements are always interesting and filled with interesting quotations, he quoted Churchill in support of what I concede to be a neoisolationism which is a considerable accomplishment and I salute Mr. Studds, but he also quoted Lewis Carroll, and he said that this has been a policy of ours to help the Contras that has been tried and found wanting.

I should like to simply respond to that with a quotation from Chesterton about Christianity, and he said, "It hasn't been tried and found wanting; it has been found difficult and not tried."

Thank you.

Mr. STUDDS. Will the gentleman concede that on the way to the floor that I was the only one in the elevator able to identify for him his quotation of consistency being the hobgoblin of small minds?

Mr. HYDE. Yes, but you did not tell me who said, "when he speaks of amnesty, I count the spoons."

Mr. STUDDS. I think it was Bismarck.

Chairman FASCELL. Mr. Bonker.

Mr. BONKER. Mr. Chairman, I shall not prolong the debate. I think we've all heard various views. But I would just like to add two points before we conclude. One concerns the Contras human rights activities, and how that might square with the human rights abuses of the Sandinistas. I have here a copy of the Americas Watch Report which is a reputable human rights organization that keeps track of human rights violations in various countries.

With respect to the Sandinistas, they report that the Permanent Commission on Human Rights has collected complaints—Mr. Chairman, may I have order?

The Permanent Commission on Human Rights, plus the documentation that's been put forth by Americas Watch, indicate that the Nicaraguan Government must be held accountable for about 1 dozen disappearances and killings out of combat during 1985. The same report goes on to say that the Contras, the abuses by the Contras on which the Americas Watch obtained testimony in connection with our work on this report, involved some 50 killings and disappearances in the last half of 1985.

Americas Watch has collected testimony on some 90 murders and disappearances that they committed during 1985.

Mr. Chairman, I would submit that if the Contras were indeed in power in Nicaragua today, and represented the head of government, that they would be guilty of gross violations of internationally recognized human rights, and thereby would be eligible for a cutoff of U.S. funds both economic and security, pursuant to section 502[B] of the Foreign Assistance Act.

So I think it's rather shameful that this Government would ask for $100 million to support a paramilitary operation that does not exemplify the same values and high standards we have for treatment of human beings.

Mr. Chairman, I'd also like to note that the $100 million that we are being asked to approve, while it involves a mere transfer of funds within the Department of Defense, we should be conscious of what we are doing. Just today, in this afternoon, we have voted $250 million over a period of time for Ireland; we have voted for close to $5 billion for the antiterrorism bill that cleared the committee, and now we're being asked for another $100 million to support the Contras.

I think our friends who have fully supported Gramm-Rudman and who are concerned about the deficit reduction ought to feel a little awkward about the large sums of money that are not previously committed to be going for these new adventures. I would hope that we could apply some of this budget reduction on foreign policy adventures as well as we are cutting domestic programs at home.

Chairman **Fascell**. I want to thank the members of the committee for this very serious discussion on this matter. Let me just add my own thoughts. There are no absolutes in this very difficult policy decision on the part of the United States. And I agree with my colleague from Florida who spoke earlier when he pointed out that, regardless which way the vote goes on the House floor, if its a close vote, it really doesn't establish anything one way or the other.

And that's unfortunate. To sustain any kind of a foreign policy by this country, we need a broadbased concensus and we need a long-term commitment. There's no doubt about that in my mind.

Now, I want to address the matter that has troubled me, and is the reason why I shall support the resolution. In the previous administration, I was one of the leaders who undertook to establish better relations with the new government in Nicaragua. This was necessary due to our misguided policy over a long period of time toward that country. We tried very hard to bring about a peaceful resolution to the problem of changing the dictatorship there into a democratic government. In order to indicate the good will of the United States in an effort to establish a good relationship with the new government there, we undertook a major program of assistance to the new government in Nicaragua.

As part of that, of course, many of us traveled to Nicaragua and came back. For my part, I talked to all of the members of that directorate, all the members of the junta, and many of the cabinet officials, as many others have. We were encouraged by those forces and those individuals who had led and fought in the struggle against Somoza to establish this new relationship with the Sandinista government.

They felt confident that, as part of the group that had undertaken the overthrow of Somoza, they could establish a democratic regime—bring about economic development and bring about a democratic process in Nicaragua.

And so we went ahead with that program. And it was not easy to pass in the Congress. I might tell you that we had quite a struggle, as you know. We tried. The money went forward. Then, because of a change in the attitude of the Sandinista Government, that program of U.S. assistance was terminated. The hand of friendship which we extended was rejected.

And it was rejected by a government whose actions amounted to a complete subversion of the revolution that existed at that time. The very forces that encouraged us to join in a new relationship with the Sandinista government wound up urging us not to continue our efforts for reconciliation with that government.

As a matter of fact, the leaders in the Contra forces right now, Robelo, Cruz, Calero, were all part of the revolution. As a matter of fact, Robelo and Cruz were part of the Sandinista government. They, along with other moderates and who were working toward establishing a true democracy in Nicaragua, were forced out. They had absolutely no choice and no say of what was going on, and there was a clear consolidation of power and authority according to one handbook and that, unfortunately, was an ideological handbook.

And that's true of every single member of the directorate and of the junta and other high ranking officials in that government. And they just turned their backs on every effort on our part to establish better relations.

Pastora, who led the fight against Somoza for years and years in the jungle as a ragtag outfit, wound up being part of the Sandinista revolution, a very important part. He was rejected and thrown aside and he's now with the Contras, although we're not giving him the support that we should be giving him, frankly.

And so I'm convinced beyond any question that unless we follow a two-track approach, that is, a diplomatic effort along the lines of Contadora, as well as aiding the Contras, we'll never have any influence and we'll never bring about a democratic process in Nicaragua because the Sandinista government's not interested in that.

I think it is very essential for the Latin American countries who are involved in the Contadora process to do everything they know how to do in order to bring about a diplomatic resolution of this matter.

But in the meantime, I'm also convinced that if we don't make the Contras a reliable force for consideration in the diplomatic process, that we will never get anywhere.

Having said that, I have no illusions about the fact that, whatever we do in this country, unless it is supported by a broadbased concensus that the American people can understand and support, I doubt that we'll have much success.

But I've come to the conclusion, ultimately, that I must support this resolution because I believe without it, we'll never get a chance for a diplomatic solution.

Chairman FASCELL. Mr. Broomfield?

Mr. BROOMFIELD. Mr. Chairman, before I put a motion, I am sure I speak on behalf of members on both sides in saying we certainly appreciate the way that you have conducted this hearing.

I know that members feel—and I do, too—very deeply about this subject. I want to concur in your comments regarding how this could be worked out and the emphasis is where we have to put it.

But I think it has been a very useful debate today. Now, I think it is time to lower the rhetoric and start moving on, and I hope that within 2 weeks, we will have a clear understanding of what is at stake and that we can have a vote up or down.

At this time, on behalf of the administration, it is my pleasure to make the recommendation that House Joint Resolution 540 be reported out favorably.

Chairman **Fascell**. All right, the motion has been made, and the clerk will call the roll.

Mr. **Brady**. Mr. Fascell?

Chairman **Fascell**. Aye.

Mr. **Brady**. Mr. Hamilton?

Mr. **Hamilton**. No.

Mr. **Brady**. Mr. Yatron?

Mr. **Yatron**. No.

Mr. **Brady**. Mr. Solarz?

Mr. **Hamilton**. Mr. Solarz votes no by proxy.

Mr. **Brady**. Mr. Bonker?

Mr. **Bonker**. No.

Mr. **Brady**. Mr. Studds?

Mr. **Studds**. No.

Mr. **Brady**. Mr. Mica?

Mr. **Mica**. Aye.

Mr. **Brady**. Mr. Barnes?

Mr. **Barnes**. No.

Mr. **Brady**. Mr. Wolpe?

Mr. **Wolpe**. No.

Mr. **Brady**. Mr. Crockett?

Mr. **Hamilton**. Mr. Crockett votes no by proxy.

Mr. **Brady**. Mr. Gejdenson?

Mr. **Gejdenson**. No.

Mr. **Brady**. Mr. Dymally?

Mr. **Dymally**. No.

Mr. **Brady**. Mr. Lantos? [No response.]

Mr. **Brady**. Mr. Kostmayer?

Mr. **Kostmayer**. No.

Mr. **Brady**. Mr. Torricelli?

Mr. **Torricelli**. No.

Mr. **Brady**. Mr. Smith?

Mr. **Smith** of Florida. Aye.

Mr. **Brady**. Mr. Berman?

Mr. **Berman**. No.

Mr. **Brady**. Mr. Reid?

Mr. **Hamilton**. Mr. Reid votes no by proxy.

Mr. **Brady**. Mr. Levine?

Mr. **Hamilton**. Mr. Levine votes no by proxy.

Mr. **Brady**. Mr. Feighan?

Mr. **Feighan**. No.

Mr. **Brady**. Mr. Weiss?

Mr. **Weiss**. No.

Mr. **Brady**. Mr. Ackerman?

Mr. **Hamilton**. Mr. Ackerman votes no by proxy.
Mr. **Brady**. Mr. MacKay?
Mr. **MacKay**. No.
Mr. **Brady**. Mr. Udall?
Mr. **Udall**. No.
Mr. **Brady**. Mr. Garcia?
Mr. **Garcia**. No.
Mr. **Brady**. Mr. Broomfield?
Mr. **Broomfield**. Aye.
Mr. **Brady**. Mr. Gilman?
Mr. **Gilman**. Aye.
Mr. **Brady**. Mr. Lagomarsino?
Mr. **Lagomarsino**. Aye.
Mr. **Brady**. Mr. Leach?
Mr. **Leach**. No.
Mr. **Brady**. Mr. Roth?
Mr. **Broomfield**. Mr. Roth votes aye by proxy.
Mr. **Brady**. Ms. Snowe?
Ms. **Snowe**. No.
Mr. **Brady**. Mr. Hyde?
Mr. **Hyde**. Yes.
Mr. **Brady**. Mr. Solomon?
Mr. **Solomon**. Yes.
Mr. **Brady**. Mr. Bereuter?
Mr. **Bereuter**. Aye.
Mr. **Brady**. Mr. Siljander?
Mr. **Siljander**. Yes.
Mr. **Brady**. Mr. Zschau?
Mr. **Broomfield**. Mr. Zschau votes aye by proxy.
Mr. **Brady**. Mr. Dornan?
Mr. **Dornan**. Aye.
Mr. **Brady**. Mr. Smith?
Mr. **Smith** of New Jersey. Aye.
Mr. **Brady**. Mr. Mack?
Mr. **Mack**. Aye.
Mr. **Brady**. Mr. DeWine?
Mr. **Broomfield**. Mr. DeWine votes aye by proxy.
Mr. **Brady**. Mr. Burton?
Mr. **Burton**. Aye.
Mr. **Brady**. Mr. McCain?
Mr. **McCain**. Aye.
Mr. **Brady**. On this vote, the ayes were 18; the nays were 23.
Mr. **Broomfield**. Mr. Chairman?
Chairman **Fascell**. So, the motion fails.

Mr. **Broomfield**. Mr. Chairman, I would like to request the 3-day privilege for minority views to be filed.

Chairman **Fascell**. Well, we are not through yet, but certainly you are entitled to that under the rules.

Mr. **Barnes**. Mr. Chairman?

Chairman **Fascell**. Mr. Barnes.

Mr. **Barnes**. Mr. Chairman, I move that the committee report the House Joint Resolution 540 unfavorably.

Chairman **Fascell**. The question is on the motion. Those in favor signify by saying "aye."

[A chorus of ayes.]

Chairman **Fascell**. All those opposed, "no."

[A chorus of noes.]

Chairman **Fascell**. The ayes have it, and the motion is agreed to, and the minority will have 3 days to file dissenting views. I would hope that you would get your remarks in by 5 o'clock on Monday.

The committee stands adjourned.

[Whereupon, at 5:25 p.m., the committee was adjourned.]

○